

Company registration number 04963144 (England and Wales)

DVS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

DVS LTD**COMPANY INFORMATION**

Directors	Mr G Dunleavy	
	Mr T Goodson	
	Mr S Fenby	(Appointed 10 January 2022)
	Mr S Lamb	(Appointed 10 January 2022)
	Mr M Lowe	(Appointed 10 January 2022)

Company number	04963144
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Registered office	C/O Midwich Limited
	Vinces Road
	Diss
	IP22 4YT

Auditor	UHY Hacker Young
	Lanyon House
	Mission Court
	Newport
	South Wales
	United Kingdom
	NP20 2DW

DVS LTD

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DVS LTD

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present the strategic report for the period ended 31 December 2021.

Fair review of the business

Subsequent to the period end, on 10 January 2022 Midwich Limited acquired a majority shareholding in the parent company Cooper Projects Limited, with Midwich Group plc becoming the ultimate parent company from this date. As such the financial year has been extended by two months to 31 December 2021 to align with group reporting from 2022 onwards.

For the extended 14 month period ended 31 December 2021, the company generated turnover of £46,755,520 (2020 - 12 month period: £37,376,743) and profits before tax of £2,428,403 (2020: £3,208,711).

The gross profit margin generated in 2021 was 14.2% (2020: 17.2%) and so despite the turnover growth in 2021 the margin has suffered due to increased freight costs following the Covid-19 pandemic and as a result of the global shipping crisis. Additionally, there was a one-off stock provision write down of £524k to align DVS Ltd with the Midwich Group's aged stock policy.

The company continued to invest in both its infrastructure and staff development to ensure that it can achieve its long term objectives and maintain its focus on its return on equity. The company had net assets of £10,390,735 at 31 December 2021 which is an increase of 5.5% from £9,849,958 on the prior year and average staff numbers of employees in 2021 of 82 (2020: 71). As at the period end date of 31 December 2021 staff numbers were 87.

The company utilises an invoice factoring facility to effectively manage working capital to facilitate the extensive growth of the business. With this facility and other debt facilities provided by the company's bankers, the company has headroom to take on further funding to support capital investment if expansion should it be required.

Principal risks and uncertainties

The company's strategy to address the risks of the highly competitive market place is to offer quality, flexible and cost-effective solutions and service offerings to its customers and prospective customers to satisfy their increasing requirements. The company has an exceptionally strong pre and post-sales support structure within its team; with highly knowledgeable and experienced sales and technical support staff who ensure customer satisfaction is exceeded.

The company's credit risk relating to its trade receivables is considered to be limited due to the invoice factoring facility in place which provides insurance against such.

Key performance indicators

The main performance indicator used by the directors to assess the performance of the company is EBITDA, i.e. Operating Profit before Depreciation, Amortisation and Interest charges, which decreased to £2,634,114 from £3,396,429 for the year ended 31 October 2020, primarily due to the impact from the downturn in gross profit margin due to the increased freight costs as a result of the global shipping crisis and the large one-off aged stock provision posting. The company's key driver is to continue to grow its EBITDA while maintaining Net Profit Margin and enhance the quality of its business in all areas.

Other performance indicators

The directors believe that the use of non-financial KPI's are necessary for an understanding of the results and operations of the business and in particular for understanding and monitoring the success of the company as a complete entity. As a measure of such staff turnover rates are regularly monitored and reviewed by the directors. The directors recognise the importance of the staff in the company's successes, and believe the unified ethos that the team and the company portray in striving for the success of the company is vital for the current and future success of the company.

DVS LTD

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Promoting the success of the company

Section 172 of the Companies Act 2006 requires that directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term
- b. The interests of the company's employees
- c. The need to foster the company's business relationships with suppliers, customers and others
- d. The impact of the company's operations on the community and the environment
- e. The desirability of the company maintaining a reputation for high standards of business conduct
- f. The need to act fairly as between members of the company

The directors acknowledge their responsibilities and are satisfied they have met their duties regarding these matters in the decisions they have made during the period ended 31 December 2021.

Our Stakeholder Engagement

Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

When making decisions, the Board of directors of DVS Ltd must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006).

The company has a clearly defined strategy and the Board takes into account the long-term consequences of its decisions in the context of this. When making decisions the Board considers a number of factors, including:

- The macroeconomic environment, including anticipated GDP growth, market disruptions and investment activity.
- The Security marketplace – specifically ensuring that the group continues to build on its reputation for high standards as a value-add Security specialist.
- The translation of the strategy into both longer-term goals and annual plans with regular updates reviewed by the Board throughout the year.
- How the group's objectives influence its employees, customers, suppliers and shareholders together with the group's wider impact on the environment and the communities where it operates.
- Our Risk Management Framework which, as a distributor, places our relationships with wider stakeholders at the centre of our decision-making.

During the year, specific decisions made by the Board included further actions taken in response to the COVID-19 pandemic, the approval of the strategic plan.

As a Board, our intention is to behave responsibly toward our stakeholders and treat them fairly and equitably, so that they all benefit from the successful delivery of our strategy. The Board of directors has overall responsibility for determining the company's purpose, values and strategy and for ensuring high standards of governance. The role of the Board is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

The Board considers relationships with, and the engagement of, our stakeholders to be a critical success factor for our business. As a specialist distributor, we add value by developing and maintaining in-depth understanding of our vendors' and customers' needs.

Our business model is predicated on strong long-term relationships with high-end brand manufacturers, offering value-added service to trade-only customers.

"As a Board, our intention is to behave responsibly towards our stakeholders and treat them fairly and equitably, so that they all benefit from the successful delivery of our strategy."

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STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

On behalf of the board

Mr T Goodson
Director

30 September 2022

DVS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of the provision of CCTV, IP CCTV and video surveillance equipment.

Results and dividends

The results for the period are set out on page 9.

Ordinary dividends were paid to its parent company, Cooper Projects Limited, to settle intercompany debt, amounting to £1,435,102. The directors do not recommend payment of a further dividend.

Directors

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

Mr G Dunlavy

Mr T Goodson

Mr S Fenby

(Appointed 10 January 2022)

Mr S Lamb

(Appointed 10 January 2022)

Mr M Lowe

(Appointed 10 January 2022)

Financial instruments

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk, and foreign exchange risk. The Company's principal financial instruments comprise cash at bank, trade debtors, trade creditors and financing of trade debtors. The main purpose of these instruments is to finance the Company's operation.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses the financing of trade debtors provided by external providers. Liquidity risk on trade creditors is managed by ensuring sufficient funds are available to meet amounts due.

Foreign currency risk

The Company's purchasing activities expose it to limited financial risks associated with changes in currency exchange rates, specifically USD and EUR. The Company has access to the facilities required to use foreign exchange contracts to hedge these exposures should the risk be deemed significant.

Credit risk

The Company's credit risk is very low and is primarily attributable to its trade debtors. Trade debtors are managed in respect of this risk by an insured invoice factoring facility along with policies and procedures concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the Balance Sheet are net of allowances for doubtful debtors. The credit risk on cash at bank is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Post reporting date events

Subsequent to the period end, on 10 January 2022 Midwich Limited acquired a majority shareholding in the parent company Cooper Projects Limited, with Midwich Group plc becoming the ultimate parent company from this date.

Future developments

Future developments of the company are discussed in the Strategic Report on pages 1 to 3.

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

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Energy and carbon report

Details around the company's energy and carbon usage are included in the consolidated accounts of the parent company Cooper Projects Limited.

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;
- state whether applicable UK Accounting Standards 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.

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.

On behalf of the board

Mr T Goodson
Director

30 September 2022

DVS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DVS LTD

Opinion

We have audited the financial statements of DVS Ltd (the 'company') for the period ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 period 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.

DVS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DVS 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 where 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
- we have not received all the information and explanations we require for our audit.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

DVS LTD

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF DVS LTD**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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.

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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

30 September 2022

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

DVS LTD**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		Period ended 31 December 2021 £	Year ended 30 October 2020 £
	Notes		
Turnover	3	46,755,520	37,376,743
Cost of sales		(40,120,195)	(30,929,079)
Gross profit		6,635,325	6,447,664
Administrative expenses		(4,191,272)	(3,340,295)
Other operating income		392	140,021
Operating profit	4	2,444,445	3,247,390
Interest payable and similar expenses	8	(16,042)	(38,679)
Profit before taxation		2,428,403	3,208,711
Tax on profit	9	(452,524)	(599,966)
Profit for the financial period		1,975,879	2,608,745

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

DVS LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Period ended 31 December 2021 £	Year ended 30 October 2020 £
Profit for the period	1,975,879	2,608,745
Other comprehensive income	-	-
Total comprehensive income for the period	<u>1,975,879</u>	<u>2,608,745</u>

DVS LTD**BALANCE SHEET****AS AT 31 DECEMBER 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11	68,197		-	
Tangible assets	12	277,132		407,686	
			<u>345,329</u>		<u>407,686</u>
Current assets					
Stocks	14	9,412,990		7,025,444	
Debtors	15	7,841,521		7,623,712	
Cash at bank and in hand		642,954		5,771,491	
		<u>17,897,465</u>		<u>20,420,647</u>	
Creditors: amounts falling due within one year	16	(7,799,483)		(9,003,104)	
Net current assets			<u>10,097,982</u>		<u>11,417,543</u>
Total assets less current liabilities			<u>10,443,311</u>		<u>11,825,229</u>
Creditors: amounts falling due after more than one year	17	(9,033)		(1,914,063)	
Provisions for liabilities					
Deferred tax liability	20	43,543		61,208	
		<u>(43,543)</u>		<u>(61,208)</u>	
Net assets			<u><u>10,390,735</u></u>		<u><u>9,849,958</u></u>
Capital and reserves					
Called up share capital	22	100		100	
Capital redemption reserve		33		33	
Profit and loss reserves		10,390,602		9,849,825	
Total equity		<u><u>10,390,735</u></u>		<u><u>9,849,958</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

Mr T Goodson
Director

Company Registration No. 04963144

DVS LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 November 2019		100	33	8,235,241	8,235,374
Period ended 31 October 2020:					
Profit and total comprehensive income for the period		-	-	2,608,745	2,608,745
Dividends	10	-	-	(994,161)	(994,161)
Balance at 31 October 2020		100	33	9,849,825	9,849,958
Period ended 31 December 2021:					
Profit and total comprehensive income for the period		-	-	1,975,879	1,975,879
Dividends	10	-	-	(1,435,102)	(1,435,102)
Balance at 31 December 2021		100	33	10,390,602	10,390,735

The capital redemption reserve represents the cumulative nominal value of shares repurchased by the company.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

DVS LTD

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

1 Accounting policies

Company information

DVS Ltd is a private company limited by shares incorporated in England and Wales. The registered office is C/O Midwich Limited, Vines Road, Diss, IP22 4YT.

1.1 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 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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cooper Projects Limited. These consolidated financial statements are available from its registered office, C/O Midwich Limited, Vines Road, Diss, England, IP22 4YT.

1.2 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.

1.3 Reporting period

The company's immediate parent company Cooper Projects Limited was acquired by Midwich Limited subsequent to the current period end. The company has extended their current period to align its period end with the new ultimate parent company Midwich Group plc and therefore the current period is a 14 month period. As such the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	25% on cost
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1.6 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:

Leasehold land and buildings	10% on cost
Plant and equipment	25% on cost
Fixtures and fittings	25% on cost
Office equipment	25% on cost
Motor vehicles	20% on cost

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.

1.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.8 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.9 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.

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.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies **(Continued)**

1.11 Retirement benefits

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

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.13 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 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 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provision

Management provides for slow and obsolete stocks based on a combination of age and other known factors which might affect the ability to sell the stock item. The provision rates used are reassessed regularly against experience. At 31 December 2021 the company held stock of £9,990,733 (31 October 2020: £7,025,444) which is net of a provision of £711,594 (31 October 2020: £238,666).

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****3 Turnover and other revenue**

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	46,323,022	37,162,530
Europe	278,423	205,631
Rest of the world	154,075	8,582
	<u>46,755,520</u>	<u>37,376,743</u>
	2021	2020
	£	£
Other revenue		
Grants received	-	118,295
Other	392	21,726
	<u>392</u>	<u>21,726</u>

The whole of the turnover is attributable to the principal activity of the Company being the provision of CCTV, IP CCTV and video surveillance equipment.

Grants received includes £nil (2020: £91,028) of furlough income from the UK Government due to the Covid-19 pandemic and a £nil (2020: £27,267) Business Interruption Payments paid by the UK Government in relation to the CBILS loan.

4 Operating profit

	2021	2020
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(27,195)	(2,182)
Government grants	-	(118,295)
Depreciation of owned tangible fixed assets	118,185	105,348
Depreciation of tangible fixed assets held under finance leases	45,804	43,691
Profit on disposal of tangible fixed assets	(6,131)	(7,517)
Amorisation of intangible assets	25,680	-
Operating lease charges	138,680	101,488
	<u>138,680</u>	<u>101,488</u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,550	10,000
	<u>14,550</u>	<u>10,000</u>
For other services		
Taxation compliance services	3,825	2,500
All other non-audit services	2,050	1,625
	<u>5,875</u>	<u>4,125</u>

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****6 Employees**

The average monthly number of persons (including directors) employed by the company during the period was:

	2021	2020
	Number	Number
Sales	37	31
Administration	13	13
Technical & support	15	15
Warehouse	15	10
Directors	2	2
	<hr/>	<hr/>
Total	82	71
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	3,597,318	2,656,980
Social security costs	365,020	259,984
Pension costs	81,379	58,630
	<hr/>	<hr/>
	4,043,717	2,975,594
	<hr/> <hr/>	<hr/> <hr/>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	412,074	349,894
Company pension contributions to defined contribution schemes	25,675	12,333
	<hr/>	<hr/>
	437,749	362,227
	<hr/> <hr/>	<hr/> <hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	211,220	180,115
Company pension contributions to defined contribution schemes	13,108	6,050
	<hr/> <hr/>	<hr/> <hr/>

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****8 Interest payable and similar expenses**

	2021	2020
	£	£
Interest on bank overdrafts and loans	-	27,267
Interest on invoice finance arrangements	8,510	4,329
Interest on finance leases and hire purchase contracts	7,532	7,083
	<u>16,042</u>	<u>38,679</u>

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	470,189	586,539
	<u></u>	<u></u>
Deferred tax		
Origination and reversal of timing differences	(36,994)	7,806
Changes in tax rates	19,329	5,621
	<u>(17,665)</u>	<u>13,427</u>
Total deferred tax		
	<u></u>	<u></u>
Total tax charge	452,524	599,966
	<u></u>	<u></u>

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

	2021	2020
	£	£
Profit before taxation	2,428,403	3,208,711
	<u></u>	<u></u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	461,397	609,655
Tax effect of expenses that are not deductible in determining taxable profit	7,885	6,584
Effect of change in corporation tax rate	10,451	5,622
Group relief	(24,409)	(23,177)
Permanent capital allowances in excess of depreciation	-	1,282
Other temporary timing differences	(2,800)	-
	<u></u>	<u></u>
Taxation charge for the period	452,524	599,966
	<u></u>	<u></u>

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****10 Dividends**

	2021	2020
	£	£
Final paid	1,435,102	994,161

11 Intangible fixed assets

	Software
	£
Cost	
At 1 November 2020	-
Additions	93,877
At 31 December 2021	93,877
Amortisation and impairment	
At 1 November 2020	-
Amortisation charged for the period	25,680
At 31 December 2021	25,680
Carrying amount	
At 31 December 2021	68,197
At 31 October 2020	-

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****12 Tangible fixed assets**

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 November 2020	210,612	38,070	95,066	441,561	163,776	949,085
Additions	-	-	-	41,039	-	41,039
Disposals	-	-	-	-	(39,579)	(39,579)
At 31 December 2021	210,612	38,070	95,066	482,600	124,197	950,545
Depreciation and impairment						
At 1 November 2020	99,328	11,166	60,629	275,744	94,532	541,399
Depreciation charged in the period	24,572	10,153	15,280	84,855	29,129	163,989
Eliminated in respect of disposals	-	-	-	-	(31,975)	(31,975)
At 31 December 2021	123,900	21,319	75,909	360,599	91,686	673,413
Carrying amount						
At 31 December 2021	86,712	16,751	19,157	122,001	32,511	277,132
At 31 October 2020	111,284	26,904	34,437	165,817	69,244	407,686

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Plant and equipment	16,750	26,521
Fixtures and fittings	14,644	23,963
Motor vehicles	32,838	66,852
	64,232	117,336

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Edge CCTV Ltd	C/O Midwich Limited, Vincennes Road, Diss, England, IP22 4YT	Ordinary	100.00

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****14 Stocks**

	2021 £	2020 £
Finished goods and goods for resale	9,412,990	7,025,444

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	7,566,906	7,461,182
Other debtors	152,204	10,835
Prepayments and accrued income	122,411	151,695
	<u>7,841,521</u>	<u>7,623,712</u>

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	18	-	135,657
Obligations under finance leases	19	30,597	52,742
Trade creditors		1,318,001	3,260,327
Corporation tax		51,863	285,265
Other taxation and social security		919,072	1,232,776
Other creditors		2,457,144	-
Accruals and deferred income		3,022,806	4,036,337
		<u>7,799,483</u>	<u>9,003,104</u>

Included within other creditors is an invoice discounting facility of £2,457,144 (2020: £nil).

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	18	-	1,864,343
Obligations under finance leases	19	9,033	49,720
		<u>9,033</u>	<u>1,914,063</u>

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****18 Loans and overdrafts**

	2021	2020
	£	£
Bank loans	-	2,000,000
	<u> </u>	<u> </u>
Payable within one year	-	135,657
Payable after one year	-	1,864,343
	<u> </u>	<u> </u>

The bank loan of £nil (2020: £2,000,000) above related to money received in relation to Coronavirus Business Interruption Loan. This was secured against certain assets of the company and was due to be repayable in monthly instalments from June 2021 however this was settled in full in May 2021.

There is a fixed charge over all present freehold and leasehold property and a fixed and floating charge over all other assets of the business held by HSBC bank. There is also a composite company unlimited multilateral guarantee dated 20 June 2016 given by Cooper Projects Limited, the immediate parent company, and DVS Ltd.

19 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	30,597	52,742
In two to five years	9,033	49,720
	<u> </u>	<u> </u>
	39,630	102,462
	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3.6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Deferred taxation

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

	Liabilities	Liabilities
	2021	2020
	£	£
Balances:		
Accelerated capital allowances	71,043	61,354
Other	(27,500)	(146)
	<u> </u>	<u> </u>
	43,543	61,208
	<u> </u>	<u> </u>

DVS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021****20 Deferred taxation (Continued)**

	2021
	£
Movements in the period:	
Liability at 1 November 2020	61,208
Credit to profit or loss	(17,665)
	<u>43,543</u>
Liability at 31 December 2021	<u><u>43,543</u></u>

The deferred tax liability set out above relates predominantly to accelerated capital allowances. Timing differences are expected to reverse over the expected useful economic lives of the related assets.

21 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	81,379	58,630
	<u><u>81,379</u></u>	<u><u>58,630</u></u>

22 Share capital

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

23 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	115,350	99,192
Between two and five years	261,927	335,966
	<u><u>377,277</u></u>	<u><u>435,158</u></u>

24 Events after the reporting date

Subsequent to the period end, on 10 January 2022 Midwich Limited acquired a majority shareholding in the parent company Cooper Projects Limited, with Midwich Group plc becoming the ultimate parent company from this date.

DVS LTD

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

25 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption, under the terms of FRS 102, Section 33.1A, from disclosing related party transactions with wholly owned subsidiaries within the group.

During the period the company entered into the following transactions with related parties:

During the period the company made purchases of £20,139 (2020: £nil) from Goodson Thomas Ltd, a company in which S Goodson (the wife of T Goodson, a director of DVS Ltd) has a controlling interest. £nil (2020: £nil) was outstanding at the year end.

26 Ultimate controlling party

The immediate parent company is Cooper Projects Limited, who are the parent of the smallest and largest group to consolidate these financial statements for the period ended 31 December 2021.

The ultimate controlling party at the current period end was Timothy Goodson, by virtue of his shareholding.

Subsequent to the period end, on 10 January 2022 Midwich Limited acquired a majority shareholding in the parent company Cooper Projects Limited, with Midwich Group plc becoming the ultimate parent company from this date.

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