Registered number: 04963144

DVS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

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DVS LTD

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DVS LTD

COMPANY INFORMATION

Directors	G F Dunleavy T Goodson
Registered number	04963144
Registered office	Unit 3 Neptune Point Vanguard Way Cardiff CF24 5PG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present the Strategic Report of DVS Limited (the "Company") and its subsidiary (together the "Company") for the year ended 31 October 2019.

Business review

For the year ended 31 October 2019, the Company generated turnover of £35,894,758 (2018: £29,307,448) and profits before tax of £4,002,400 (2018: £2,689,614).

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 £8,235,374 at 31 October 2019 which is an increase of 50% from £6,372,262 on the prior year and average staff numbers of employees in 2018 of 57. As at 31 October 2019 staff numbers were 63.

During the financial year, the Company commenced a leadership program designed to develop the skills of key management staff to strengthen the Company's ability to continue to grow whilst continuing to improve and develop in all areas.

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.

Following the strong turnover growth in 2019 and significant investment in staff and operations the Directors were anticipating volumes across the Company's various industry sectors to increase in 2020. However, following the unprecedented situation of the Covid-19 pandemic and the significant impact on the UK economy, the Directors now anticipate that turnover will decrease during 2020.

Principal risks and uncertainties

The Company monitors and manages its risks by reviewing such on a regular basis and implementing processes to mitigate the risks where necessary.

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.

Financial 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 was £4,168,840 compared to £2,813,045 for the year ended 31 October 2018. 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 key 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.

This report was approved by the board and signed on its behalf by:

T Goodson
Director

Date: 9th July 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their annual report and the audited financial statements of DVS Ltd (the "Company") for the year ended 31 October 2019.

Results and dividends

The profit for the financial year amounted to £3,271,130 (2018: £2,234,387).

During the year a dividend of £1,408,018, equivalent to £14,080 per £1 share (2018: £2,032,695 equivalent to £20,327 per £1 share), was paid.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

G F Dunleavy
T Goodson

Financial risk management

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.

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.

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 exchange 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.

Covid 19

As discussed in the strategic report, Covid 19 will have an impact on our sales for FY20. However, we have and will continue to take a proactive approach to ensure that the Group can mitigate the associated risks by implementing various safety measures to ensure all our stakeholders remain safe, whilst also managing costs, including utilising some available government initiatives, which will assist the Group to maintain our cashflow position. Whilst Covid-19 is a disruption, we have ensured that we have appropriate business continuity planning in place and are satisfied we have sufficient resources to ensure that the Group remains a going concern.

Future developments

Future developments of the Company are discussed in the Strategic Report on page 2.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the 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 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

T Goodson
Director

Date: 9th July 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DVS LTD

Report on the audit of the financial statements

Opinion

In our opinion, DVS Ltd's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Balance Sheet as at 31 October 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 October 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 9 July 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	2019 £	2018 £
Turnover	4	**35,894,758**	29,307,448
Cost of sales		**(28,883,504)**	(23,078,507)
Gross profit		**7,011,254**	6,228,941
Administrative expenses		**(2,976,357)**	(3,528,044)
Operating profit	5	**4,034,897**	2,700,897
Interest payable and similar expenses	9	**(32,497)**	(11,283)
Profit before taxation		**4,002,400**	2,689,614
Tax on profit	10	**(731,270)**	(455,227)
Profit for the financial year		**3,271,130**	2,234,387
Total comprehensive income for the financial year		**3,271,130**	2,234,387

The notes on pages 11 to 23 form part of these financial statements.

DVS LTD
REGISTERED NUMBER: 04963144

BALANCE SHEET
AS AT 31 OCTOBER 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	12		**394,875**		420,658
			394,875		420,658
Current assets					
Stocks	13	**7,361,501**		5,447,142	
Debtors	14	**7,809,925**		6,967,938	
Cash at bank and in hand	15	**1,005,012**		1,102,726	
		16,176,438		13,517,806	
Creditors: amounts falling due within one year	16	**(8,217,252)**		(7,444,562)	
Net current assets			**7,959,186**		6,073,244
Total assets less current liabilities			**8,354,061**		6,493,902
Creditors: amounts falling due after more than one year	17		**(70,906)**		(62,461)
Provisions for liabilities					
Deferred tax	19		**(47,781)**		(59,179)
Net assets			**8,235,374**		6,372,262
Capital and reserves					
Called up share capital	20		**100**		100
Capital redemption reserve	21		**33**		33
Profit and loss account	21		**8,235,241**		6,372,129
Total shareholders' funds			**8,235,374**		6,372,262

The financial statements on pages 8 to 23 were approved and authorised for issue by the board and were signed on its behalf by:

T Goodson
Director

Date: 9th July 2020

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

	Called up share capital	Capital redemption reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£
At 1 November 2017	100	33	6,170,437	6,170,570
Comprehensive income for the financial year				
Profit for the financial year	-	-	2,234,387	2,234,387
Total comprehensive income for the financial year	-	-	2,234,387	2,234,387
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(2,032,695)	(2,032,695)
Total transactions with owners	-	-	(2,032,695)	(2,032,695)
At 31 October 2018 and 1 November 2018	100	33	6,372,129	6,372,262
Comprehensive income for the financial year				
Profit for the financial year	-	-	3,271,130	3,271,130
Total comprehensive income for the financial year	-	-	3,271,130	3,271,130
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,408,018)	(1,408,018)
Total transactions with owners	-	-	(1,408,018)	(1,408,018)
At 31 October 2019	100	33	8,235,241	8,235,374

The notes on pages 11 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

1. General information

DVS Ltd (the "Company") is involved in the provision of CCTV, IP CCTV and video surveillance equipment.

The Company is a private company limited by shares and it is registered, incorporated and domiciled in the England and Wales. The address of its registered office is Unit 3 Neptune Point, Vanguard Way, Cardiff, United Kingdom, CF24 5PG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cooper Projects Limited for the year ended 31 October 2019 and these financial statements may be obtained from Unit 3 Neptune Point, Vanguard Way, Cardiff, CF24 5PG.

2.3 Going concern

The directors have considered the basis of preparation of the financial statements, the impact and risk on the company of COVID-19 and the company's prospects, and, based on the assessment of budgets and cash flow forecasts, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the board continues to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10%
Plant and machinery	-	25%
Motor vehicles	-	20%
Fixtures and fittings	-	25%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Stock provisions

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.

4. Turnover

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.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible assets	**133,943**	112,148
Exchange differences	**(17,042)**	100,086
Operating lease rentals	**104,843**	148,142

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**11,500**	10,500

Fees payable to the Company's auditors in respect of:

	2019 £	2018 £
All other services	**8,750**	9,710

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	**2,226,499**	2,107,322
Social security costs	**248,137**	226,550
Other pension costs	**52,370**	52,489
	2,527,006	2,386,361

The average monthly number of employees, including the directors, during the year was as follows:

	2019 Number	2018 Number
Sales	**26**	23
Administration	**12**	12
Technical & support	**15**	13
Warehouse	**8**	6
Directors	**2**	3
	63	57

8. Directors' remuneration

	2019 £	2018 £
Aggregate directors' remuneration	**328,841**	439,098
Company contributions to defined contribution pension schemes	**10,863**	27,483
	339,704	466,581

During the year retirement benefits were accruing to 2 directors (2018: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £172,346 (2018: £155,293).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,546 (2018: £6,227).

9. Interest payable and similar expenses

	2019 £	2018 £
Finance leases and hire purchase contracts	**4,489**	1,659
Other interest payable	**28,008**	9,624
	32,497	11,283

10. Tax on profit

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	**742,397**	469,496
Adjustments in respect of previous periods	**271**	(16,577)
Total current tax	**742,668**	452,919
Deferred tax		
Origination and reversal of timing differences	**(12,739)**	2,580
Adjustment in respect of previous periods	**1,341**	(272)
Total deferred tax	**(11,398)**	2,308
Total tax	**731,270**	455,227

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	**4,002,400**	2,689,614
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	**760,456**	511,027
Effects of:		
Expenses not deductible for tax purposes	**5,493**	13,519
Adjustments in respect of previous periods	**271**	(16,577)
Non-taxable income	**-**	(1,008)
Tax rate changes	**1,341**	(272)
Effects of group relief/other reliefs	**(36,291)**	(51,462)
Total tax charge for the financial year	**731,270**	455,227

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. Dividends

	2019 £	2018 £
Dividends paid equivalent to £14,080 (2018: £20,327) per £1 share	**1,408,018**	2,032,695

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

12. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 November 2018	200,478	21,066	146,161	53,471	282,936	704,112
Additions	-	-	35,913	-	72,247	108,160
At 31 October 2019	200,478	21,066	182,074	53,471	355,183	812,272
Accumulated depreciation						
At 1 November 2018	58,472	16,200	34,296	32,986	141,500	283,454
Charge for the year	20,048	3,786	32,828	13,200	64,081	133,943
At 31 October 2019	78,520	19,986	67,124	46,186	205,581	417,397
Net book value						
At 31 October 2019	121,958	1,080	114,950	7,285	149,602	394,875
At 31 October 2018	142,006	4,866	111,865	20,485	141,436	420,658

13. Stocks

	2019 £	2018 £
Finished goods and goods for resale	**7,361,501**	5,447,142

Stock recognised in cost of sales during the year as an expense was £30,545,525 (2018: £24,677,694).

An impairment loss of £307,139 (2018: £202,983) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

14. Debtors

	2019 £	2018 £
Trade debtors	**7,597,681**	6,612,307
Other debtors	**70,419**	233,983
Prepayments and accrued income	**141,825**	121,648
	7,809,925	6,967,938

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	**1,005,012**	1,102,726

16. Creditors: amounts falling due within one year

	2019 £	2018 £
Invoice discounting	**971,988**	2,749,966
Trade creditors	**3,289,168**	1,906,750
Corporation tax	**331,512**	164,554
Taxation and social security	**190,557**	59,501
Obligations under finance lease and hire purchase contracts	**24,474**	18,483
Other creditors	**-**	11,223
Accruals and deferred income	**3,409,553**	2,534,085
	8,217,252	7,444,562

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	**70,906**	62,461

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	**24,474**	18,483
Between 1-5 years	**70,906**	62,461
Over 5 years	**-**	-
	95,380	80,944

19. Deferred tax

	2019 £
At beginning of year	**59,179**
Credited to the Statement of Comprehensive Income	**(11,398)**
At end of year	**47,781**

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	**47,781**	59,179

20. Called up share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
100 (2018: 100) Ordinary shares of £1 (2018: £1) each	**100**	100

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FOR THE YEAR ENDED 31 OCTOBER 2019

21. Reserves

Capital redemption reserve

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

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £52,370 (2018: £52,489).

23. Commitments under operating leases

At 31 October, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	**101,491**	105,150
Later than 1 year and not later than 5 years	**392,413**	395,784
Later than 5 years	**42,798**	140,699
	536,702	641,633

24. Related party transactions

The disclosure below is a summary of the overall effect by category of related party transactions and the directors maintain a complete schedule of the transactions, which is available for inspection upon request.

During the year the Company made purchases of £9,800 (2018: £10,000) from Goodson Thomas Limited, a company in which S Goodson (the wife of T Goodson, a director of DVS Ltd) has a controlling interest. £Nil (2018: £4,000) was outstanding at the year end.

25. Ultimate parent undertaking and 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. The ultimate controlling party is Timothy Goodson by virtue of his shareholding.