

REGISTERED NUMBER: 01689259 (England and Wales)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
DYNAMIC CONTROLS LTD**

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for the Year Ended 31 December 2023**

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DYNAMIC CONTROLS LTD
COMPANY INFORMATION
for the Year Ended 31 December 2023

DIRECTORS: B J Ruscillo
K Meccoy
J Miller
R A LeMasters
Mrs F C Plant
R O Whitford, Jr.

SECRETARY: R Gregory

REGISTERED OFFICE: Dynamic Works
Union Street
Royton
Oldham
OL2 5JD

REGISTERED NUMBER: 01689259 (England and Wales)

AUDITORS: Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

STATEMENT OF FINANCIAL POSITION
31 December 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	4		1,403,481		1,146,895
Investments	5		-		100
			<u>1,403,481</u>		<u>1,146,995</u>
CURRENT ASSETS					
Stocks		4,958,244		2,665,326	
Debtors	6	1,696,365		2,005,168	
Cash at bank and in hand		<u>2,261,359</u>		<u>6,027,316</u>	
		8,915,968		10,697,810	
CREDITORS					
Amounts falling due within one year	7	<u>5,309,218</u>		<u>8,381,832</u>	
NET CURRENT ASSETS			<u>3,606,750</u>		<u>2,315,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,010,231		3,462,973
PROVISIONS FOR LIABILITIES	8		<u>245,199</u>		<u>213,660</u>
NET ASSETS			<u>4,765,032</u>		<u>3,249,313</u>
CAPITAL AND RESERVES					
Called up share capital			6,000		6,000
Retained earnings	9		<u>4,759,032</u>		<u>3,243,313</u>
SHAREHOLDERS' FUNDS			<u>4,765,032</u>		<u>3,249,313</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 19 September 2024 and were signed on its behalf by:

Mrs F C Plant - Director

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2023**

1. STATUTORY INFORMATION

Dynamic Controls Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The financial statements contain information about Dynamic Controls Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Judgements and sources of estimation uncertainty

The preparation of the financial statements require management to make significant judgements, estimates and assumptions. The items in the financial statements where these judgements and estimates have been made include:

Judgements

The useful economic lives of tangible fixed assets are assessed on an annual basis on the latest available information. Management believe that the useful economic lives being used currently are still appropriate.

Sources of estimation uncertainty

Stock provisions are assessed annually by experienced management, using their product knowledge and industry specific background.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes for goods and services provided.

The company recognises revenue when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the customer takes delivery of the goods.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the reporting date. When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Amounts recoverable on contracts are stated at the net sales value of the work completed, taking into account any necessary provisions for anticipated future losses on contracts. Milestone payments on account received on contracts are included in creditors, having netted off any sales value of the work completed on the contracts.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and impairment.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings	- 1% on cost
Plant and machinery etc	- 10% - 33 1/3% on cost

Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of each asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Investment property

Investment property is included at fair value. Changes in fair value are recognised in the Income Statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all direct expenditure and an appropriate proportion of variable overheads.

Financial instruments

The company only holds basic financial instruments, as defined under Section 11 of FRS 102.

Short term financial assets, including trade and other debtors and cash and bank balances, are measured at the transaction price.

Short term financial liabilities, including trade and other creditors, are measured at transaction price. Financial liabilities that have no stated interest rate and are payable within one year shall be measured at the undiscounted amount due.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

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

Assets held under finance leases are recognised initially at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Short term employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

The company operates a number of defined contribution pension schemes. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 52 (2022 - 43) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 January 2023	504,048	3,128,715	3,632,763
Additions	<u>275,000</u>	<u>219,462</u>	<u>494,462</u>
At 31 December 2023	<u>779,048</u>	<u>3,348,177</u>	<u>4,127,225</u>
DEPRECIATION			
At 1 January 2023	115,533	2,370,335	2,485,868
Charge for year	<u>37,228</u>	<u>200,648</u>	<u>237,876</u>
At 31 December 2023	<u>152,761</u>	<u>2,570,983</u>	<u>2,723,744</u>
NET BOOK VALUE			
At 31 December 2023	<u>626,287</u>	<u>777,194</u>	<u>1,403,481</u>
At 31 December 2022	<u>388,515</u>	<u>758,380</u>	<u>1,146,895</u>

Included in cost or valuation of land and buildings is freehold land of £15,500 (2022 - £15,500) which is not depreciated. Long leasehold property was valued on an open market, existing use basis in June 2018 by Avison Young, Valuers. The directors have relied upon this valuation, taking into account the current property market conditions, in arriving at its net book value at 31 December 2023.

Cost or valuation at 31 December 2023 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 1997	70,000	-	70,000
Valuation in 2012	(45,533)	-	(45,533)
Valuation in 2018	(283,130)	-	(283,130)
Cost	<u>1,037,711</u>	<u>3,348,177</u>	<u>4,385,888</u>
	<u>779,048</u>	<u>3,348,177</u>	<u>4,127,225</u>

If long leasehold property had not been revalued it would have been included at the following historical cost:

	2023 £	2022 £
Cost	<u>1,037,711</u>	<u>762,711</u>
Aggregate depreciation	<u>401,951</u>	<u>353,662</u>

Hire purchase agreements

Included within the net book value of £1,403,481 is £Nil (2022 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2022 - £31,825).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2023	100
Impairments	(100)
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>100</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	1,296,685	1,030,253
Amounts owed by group undertakings	53,705	-
Other debtors	345,975	770,408
Tax	-	204,507
	<u>1,696,365</u>	<u>2,005,168</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade creditors	2,039,138	699,249
Amounts owed to group undertakings	-	68,600
Tax	240,675	-
Social security and other taxes	57,278	51,814
Other creditors	306,046	456,614
Payments on account	<u>2,666,081</u>	<u>7,105,555</u>
	<u>5,309,218</u>	<u>8,381,832</u>

8. **PROVISIONS FOR LIABILITIES**

	2023 £	2022 £
Deferred tax	<u>245,199</u>	<u>213,660</u>
		Deferred tax £
Balance at 1 January 2023		213,660
Charge to Income Statement during year		<u>31,539</u>
Balance at 31 December 2023		<u>245,199</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

9. RESERVES

	Retained earnings £
At 1 January 2023	3,243,313
Profit for the year	<u>1,515,719</u>
At 31 December 2023	<u>4,759,032</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

John B S Fairhurst BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst

11. GUARANTEES AND FINANCIAL COMMITMENTS

The company had total lease commitments and guarantees at the year end of £2,419,564 (2022 - £2,459,143).

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

13. ULTIMATE PARENT COMPANY

The company's parent company is BWXT Government Group, Inc. and the company's ultimate parent company is BWX Technologies, Inc., both companies are incorporated in Delaware USA.

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