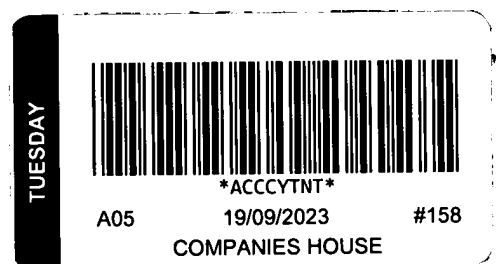


**REGISTERED NUMBER: 01689259**

**DYNAMIC CONTROLS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD**  
**1 DECEMBER 2021 TO 31 DECEMBER 2022**



**DYNAMIC CONTROLS LIMITED**

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for the Period 1 December 2021 to 31 December 2022**

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**DYNAMIC CONTROLS LIMITED**

**COMPANY INFORMATION**  
**for the Period 1 December 2021 to 31 December 2022**

**DIRECTORS:**

B J Rusillo  
K Mccoy  
J Miller  
R A LeMasters  
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

## **DYNAMIC CONTROLS LIMITED**

### **REPORT OF THE DIRECTORS for the Period 1 December 2021 to 31 December 2022**

The directors present their report with the financial statements of the company and the group for the period 1 December 2021 to 31 December 2022.

#### **PRINCIPAL ACTIVITY**

The principal activities of the group in the year under review were those of the design and manufacture of cartridge valves and a property company.

#### **RESULTS AND DIVIDENDS**

Dividends of £3,225,999 (2021 - £62,575) have been distributed during the period ended 31 December 2022, and it is proposed that the retained loss, after dividends of £3,225,999, of £4,167,080 (2021 - £1,272,263 profit) be taken to reserves.

#### **REVIEW OF BUSINESS**

As of April 2022, the direct owner of all the outstanding shares of Dynamic Controls Ltd is BWXT Government Group, Inc., a Delaware corporation.

#### **DIRECTORS**

B J Ruscillo has held office during the whole of the period from 1 December 2021 to the date of this report.

Other changes in directors holding office are as follows:

J Flowers - resigned 11 April 2022  
T N Spencer - resigned 28 July 2022  
R Ariss - resigned 1 November 2022  
R Lane-Smith (Non Executive) - resigned 11 April 2022  
K Mccoy - appointed 11 April 2022  
J Miller - appointed 11 April 2022  
R A LeMasters - appointed 11 April 2022  
T Mccabe - appointed 11 April 2022  
F C Plant - appointed 1 November 2022

R O Whitford, Jr. was appointed as a director after 31 December 2022 but prior to the date of this report.

T Mccabe ceased to be a director after 31 December 2022 but prior to the date of this report.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DYNAMIC CONTROLS LIMITED (REGISTERED NO: 01689259)**

**REPORT OF THE DIRECTORS  
for the Period 1 December 2021 to 31 December 2022**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

*Fiona Plant*

.....  
F C Plant - Director

18 September 2023 | 13:56 BST  
Date: .....

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DYNAMIC CONTROLS LIMITED

### Opinion

We have audited the financial statements of Dynamic Controls Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of 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 group's and of the parent company affairs as at 31 December 2022 and of the group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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 the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DYNAMIC CONTROLS LIMITED**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DYNAMIC CONTROLS LIMITED**

### **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 a Report of the Auditors 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:

- we identified the laws and regulations applicable to the group and the company through discussions with directors and other management, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation and Health and Safety regulations.

- we enquired of the directors and reviewed correspondence with HMRC for evidence of non-compliance with laws and regulations. We also reviewed controls the directors have in place to ensure compliance.

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.

- 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.

- we reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- we enquired of the directors about actual and potential litigation and claims.

Due to inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DYNAMIC CONTROLS LIMITED (REGISTERED NO: 01689259)**

**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 a Report of the Auditors 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.

John B S Fairhurst BA (Hons) FCA (Senior Statutory Auditor)  
for and on behalf of Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

*John Fairhurst*

18 September 2023 | 14:02 BST  
Date: .....

## DYNAMIC CONTROLS LIMITED

**CONSOLIDATED  
INCOME STATEMENT**  
for the Period 1 December 2021 to 31 December 2022

	Notes	Period 1/12/21 to 31/12/22 £	Year Ended 30/11/21 £
<b>TURNOVER</b>	3	4,539,701	9,199,490
Cost of sales		<u>3,261,297</u>	<u>5,897,199</u>
<b>GROSS PROFIT</b>		1,278,404	3,302,291
Administrative expenses		<u>2,506,792</u>	<u>1,665,924</u>
		(1,228,388)	1,636,367
Other operating income		<u>321</u>	<u>529</u>
<b>OPERATING (LOSS)/PROFIT</b>	5	(1,228,067)	1,636,896

## Attributable to:

Operating (loss)/profit before exceptional items	(534,640)	1,636,896
<b>* EBITDA adjusted</b>	<u>(296,870)</u>	<u>1,833,480</u>

Interest receivable and similar income	<u>55,835</u>	<u>514</u>	
	(1,172,232)	1,637,410	
Interest payable and similar expenses	<u>1,105</u>	<u>2,487</u>	
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	(1,173,337)	1,634,923	
Tax on (loss)/profit	6	<u>(232,256)</u>	<u>300,085</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<u>(941,081)</u>	<u>1,334,838</u>
(Loss)/profit attributable to: Owners of the parent		<u>(941,081)</u>	<u>1,334,838</u>

\* EBITDA adjusted excludes restructuring and reorganisation costs

The notes form part of these financial statements

**DYNAMIC CONTROLS LIMITED (REGISTERED NUMBER: 01689259)****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 December 2022**

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		1,353,295		1,378,375
Investments	9		-		-
Investment property	10		-		<u>177,712</u>
			<u>1,353,295</u>		<u>1,556,087</u>
<b>CURRENT ASSETS</b>					
Stocks		2,665,326		2,052,275	
Debtors	11	1,537,743		1,535,413	
Cash at bank and in hand		<u>6,027,416</u>		<u>5,034,760</u>	
			<u>10,230,485</u>		<u>8,622,448</u>
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>8,381,832</u>		<u>2,637,945</u>	
<b>NET CURRENT ASSETS</b>			<u>1,848,653</u>		<u>5,984,503</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,201,948</u>		<u>7,540,590</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		-		(143,813)
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>(213,660)</u>		<u>(241,409)</u>
<b>NET ASSETS</b>			<u><u>2,988,288</u></u>		<u><u>7,155,368</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			6,000		6,000
Retained earnings	16		<u>2,982,288</u>		<u>7,149,368</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>2,988,288</u></u>		<u><u>7,155,368</u></u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2023 at 14:56:33 and were signed on its behalf by:

*Fiona Plant*

.....  
F C Plant - Director

The notes form part of these financial statements

**DYNAMIC CONTROLS LIMITED (REGISTERED NUMBER: 01689259)****COMPANY STATEMENT OF FINANCIAL POSITION  
31 December 2022**

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		1,146,895		1,169,825
Investments	9		100		100
Investment property	10		<u>-</u>		<u>177,712</u>
			1,146,995		1,347,637
<b>CURRENT ASSETS</b>					
Stocks		2,665,326		2,052,275	
Debtors	11	2,005,168		2,000,651	
Cash at bank and in hand		<u>6,027,316</u>		<u>5,034,660</u>	
		10,697,810		9,087,586	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>8,381,832</u>		<u>2,637,946</u>	
<b>NET CURRENT ASSETS</b>			<u>2,315,978</u>		<u>6,449,640</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,462,973		7,797,277
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		-		(143,813)
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>(213,660)</u>		<u>(241,409)</u>
<b>NET ASSETS</b>			<u>3,249,313</u>		<u>7,412,055</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			6,000		6,000
Retained earnings	16		<u>3,243,313</u>		<u>7,406,055</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,249,313</u>		<u>7,412,055</u>
Company's (loss)/profit for the financial year			<u>(936,743)</u>		<u>1,336,819</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2023 at 13:56:55 and were signed on its behalf by:

*Fiona Plant*

.....  
F C Plant - Director

The notes form part of these financial statements

**DYNAMIC CONTROLS LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the Period 1 December 2021 to 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2020</b>	6,000	5,877,105	5,883,105
<b>Changes in equity</b>			
Dividends	-	(62,575)	(62,575)
Total comprehensive income	-	1,334,838	1,334,838
<b>Balance at 30 November 2021</b>	<u>6,000</u>	<u>7,149,368</u>	<u>7,155,368</u>
<b>Changes in equity</b>			
Dividends	-	(3,225,999)	(3,225,999)
Total comprehensive income	-	(941,081)	(941,081)
<b>Balance at 31 December 2022</b>	<u>6,000</u>	<u>2,982,288</u>	<u>2,988,288</u>

The notes form part of these financial statements

**DYNAMIC CONTROLS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
for the Period 1 December 2021 to 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2020</b>	6,000	6,131,811	6,137,811
<b>Changes in equity</b>			
Dividends	-	(62,575)	(62,575)
Total comprehensive income	-	<u>1,336,819</u>	<u>1,336,819</u>
<b>Balance at 30 November 2021</b>	<u>6,000</u>	<u>7,406,055</u>	<u>7,412,055</u>
<b>Changes in equity</b>			
Dividends	-	(3,225,999)	(3,225,999)
Total comprehensive income	-	<u>(936,743)</u>	<u>(936,743)</u>
<b>Balance at 31 December 2022</b>	<u><u>6,000</u></u>	<u><u>3,243,313</u></u>	<u><u>3,249,313</u></u>

The notes form part of these financial statements

## DYNAMIC CONTROLS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Period 1 December 2021 to 31 December 2022

#### 1. STATUTORY INFORMATION

Dynamic Controls Limited 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 General 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.

##### **Basis of consolidation**

The consolidated financial statements include the results of Dynamic Controls Limited and its subsidiary undertaking, Dynamic Controls Properties Limited, drawn up to 31 December 2022.

The consolidated financial statements include the results of the activities described in the report of directors.

##### **Investments in subsidiaries**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group using accounting policies consistent with those of the parent. All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less impairment.

##### **Significant judgements and estimates**

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

##### **a) Stock/WIP**

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

##### **b) Useful economic lives**

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.

##### **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.

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 included in debtors and 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.

**DYNAMIC CONTROLS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Period 1 December 2021 to 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Tangible 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	-	over the life of the lease and 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.

**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**

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 group and 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 period comprises current and deferred tax. Tax is recognised in the Consolidated 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.

**DYNAMIC CONTROLS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022**

**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 period 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 the lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

**Short term employee benefits**

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

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

**3. TURNOVER**

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the group.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 43 (2021 - 43).

**DYNAMIC CONTROLS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022****5. OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging:

	Period 1/12/21 to 31/12/22 £	Year Ended 30/11/21 £
Other operating leases	57,161	50,875
Depreciation - owned assets	237,770	196,584
Auditors' remuneration	<u>11,750</u>	<u>10,750</u>

**6. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	Period 1/12/21 to 31/12/22 £	Year Ended 30/11/21 £
<b>Current tax:</b>		
UK corporation tax	-	254,831
Prior year under provision	(204,507)	-
R&D tax credit	<u>-</u>	<u>(69,627)</u>
<b>Total current tax</b>	<b>(204,507)</b>	<b>185,204</b>
<b>Deferred tax</b>	<b><u>(27,749)</u></b>	<b><u>114,881</u></b>
<b>Tax on (loss)/profit</b>	<b><u>(232,256)</u></b>	<b><u>300,085</u></b>

**7. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

## DYNAMIC CONTROLS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022

## 8. TANGIBLE FIXED ASSETS

## Group

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 December 2021	719,048	2,916,025	3,635,073
Additions	-	212,690	212,690
At 31 December 2022	<u>719,048</u>	<u>3,128,715</u>	<u>3,847,763</u>
<b>DEPRECIATION</b>			
At 1 December 2021	81,653	2,175,045	2,256,698
Charge for period	42,480	195,290	237,770
At 31 December 2022	<u>124,133</u>	<u>2,370,335</u>	<u>2,494,468</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>594,915</u>	<u>758,380</u>	<u>1,353,295</u>
At 30 November 2021	<u>637,395</u>	<u>740,980</u>	<u>1,378,375</u>

Included in cost or valuation of land and buildings is freehold land of £15,500 (2021 - £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 it's net book value at 31 December 2022.

Cost or valuation at 31 December 2022 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	(530,400)	-	(530,400)
Cost	<u>1,224,981</u>	<u>3,128,715</u>	<u>4,353,696</u>
	<u>719,048</u>	<u>3,128,715</u>	<u>3,847,763</u>

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

	2022 £	2021 £
Cost	<u>1,224,981</u>	<u>1,224,981</u>
Aggregate depreciation	<u>372,153</u>	<u>325,353</u>

**Hire purchase agreements**

Included within the net book value of £1,353,295 is £Nil (2021 - £271,738) 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 £31,825 (2021 - £22,033).

## DYNAMIC CONTROLS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022

## 8. TANGIBLE FIXED ASSETS - continued

## Company

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 December 2021	504,048	2,916,025	3,420,073
Additions	-	212,690	212,690
At 31 December 2022	<u>504,048</u>	<u>3,128,715</u>	<u>3,632,763</u>
<b>DEPRECIATION</b>			
At 1 December 2021	75,203	2,175,045	2,250,248
Charge for period	<u>40,330</u>	<u>195,290</u>	<u>235,620</u>
At 31 December 2022	<u>115,533</u>	<u>2,370,335</u>	<u>2,485,868</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>388,515</u>	<u>758,380</u>	<u>1,146,895</u>
At 30 November 2021	<u>428,845</u>	<u>740,980</u>	<u>1,169,825</u>

Included in cost or valuation of land and buildings is freehold land of £15,500 (2021 - £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 it's net book value at 31 December 2022.

Cost or valuation at 31 December 2022 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>762,711</u>	<u>3,128,715</u>	<u>3,891,426</u>
	<u>504,048</u>	<u>3,128,715</u>	<u>3,632,763</u>

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

	2022 £	2021 £
Cost	<u>762,711</u>	<u>762,711</u>
Aggregate depreciation	<u>353,662</u>	<u>311,485</u>

**Hire purchase agreements**

Included within the net book value of £1,146,895 is £Nil (2021 - £271,738) 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 £31,825 (2021 - £22,033).

## DYNAMIC CONTROLS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022

## 9. FIXED ASSET INVESTMENTS

The group or the company's investments at the Statement of Financial Position date in the share capital of the following includes:

Subsidiary	Principal activity	% Holding	Direct/Indirect Holding
Dynamic Controls Properties Limited	Property Holding Company	100%	Direct

## 10. INVESTMENT PROPERTY

## Group

	Total £
<b>FAIR VALUE</b>	
At 1 December 2021	177,712
Disposals	<u>(177,712)</u>
At 31 December 2022	—
<b>NET BOOK VALUE</b>	
At 31 December 2022	—
At 30 November 2021	<u>177,712</u>

## Company

	Total £
<b>FAIR VALUE</b>	
At 1 December 2021	177,712
Disposals	<u>(177,712)</u>
At 31 December 2022	—
<b>NET BOOK VALUE</b>	
At 31 December 2022	—
At 30 November 2021	<u>177,712</u>

## 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	1,030,253	1,400,504	1,030,253	1,400,504
Other debtors	302,983	64,782	770,408	530,020
Tax	<u>204,507</u>	<u>70,127</u>	<u>204,507</u>	<u>70,127</u>
	<u>1,537,743</u>	<u>1,535,413</u>	<u>2,005,168</u>	<u>2,000,651</u>

**DYNAMIC CONTROLS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Period 1 December 2021 to 31 December 2022****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase contracts	-	44,250	-	44,250
Trade creditors	699,249	357,861	699,249	357,861
Amounts owed to group undertakings	-	-	68,600	-
Tax	-	254,832	-	254,832
Social security and other taxes	51,814	61,647	51,814	61,647
Other creditors	525,214	435,908	456,614	435,909
Payments on account	<u>7,105,555</u>	<u>1,483,447</u>	<u>7,105,555</u>	<u>1,483,447</u>
	<u>8,381,832</u>	<u>2,637,945</u>	<u>8,381,832</u>	<u>2,637,946</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase contracts	<u>-</u>	<u>143,813</u>	<u>-</u>	<u>143,813</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase contracts	<u>-</u>	<u>188,063</u>	<u>-</u>	<u>188,063</u>

Hire purchase contracts are secured on the assets to which they relate.

**15. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>213,660</u>	<u>241,409</u>	<u>213,660</u>	<u>241,409</u>

**Group**

Balance at 1 December 2021  
Provided during period

Balance at 31 December 2022

Deferred  
tax  
£

241,409  
(27,749)

213,660

**DYNAMIC CONTROLS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Period 1 December 2021 to 31 December 2022****15. PROVISIONS FOR LIABILITIES - continued**

<b>Company</b>	<b>Deferred tax £</b>
Balance at 1 December 2021	241,409
Provided during period	<u>(27,749)</u>
Balance at 31 December 2022	<u>213,660</u>

**16. RESERVES**

<b>Group</b>	<b>Retained earnings £</b>
At 1 December 2021	7,149,368
Deficit for the period	(941,081)
Dividends	<u>(3,225,999)</u>
At 31 December 2022	<u>2,982,288</u>

<b>Company</b>	<b>Retained earnings £</b>
At 1 December 2021	7,406,055
Deficit for the period	(936,743)
Dividends	<u>(3,225,999)</u>
At 31 December 2022	<u>3,243,313</u>

**17. GUARANTEES AND FINANCIAL COMMITMENTS**

The group had total lease commitments and guarantees at the year end of £2,459,143 (2021 - £2,494,496).

**18. 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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**19. 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.