

Company Registration No. 06243736 (England and Wales)

DYNAMATIC LTD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

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tc accounts · tax · legal · financial planning

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

DYNAMATIC LTD

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DYNAMATIC LTD

COMPANY INFORMATION

Directors	M Handley S Hayes P Malhoutra U Malhoutra J Tucker G Dore P de Bausset
Company number	06243736
Registered office	Cheney Manor, Swindon, Wiltshire SN2 2PZ
Auditor	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Business address	Cheney Manor, Swindon, Wiltshire SN2 2PZ

DYNAMATIC LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

The principal activities of the Company are the design, development and manufacture of gear pumps, valves and integrated hydraulic packages for the agricultural and off-road vehicle market and the manufacture of engineered parts for the aerospace industry.

Business review

The results of the Company for the year are a pre-tax profit of £1,975,000 (2022: loss of £1,063,000) and for the Group, £1,845,000 profit (2022: £1,201,000 loss). Profits in the year reflect the continued strong recovery post-pandemic and the impact of new customers and products. The Group recorded a turnover of £34,613,000 (2022: £23,454,000) with the increase in sales being achieved equally by the two divisions.

Equity shareholder's funds amount to £12,178,000 (2022: £10,664,000) for the Company and £11,689,000 (2022: £10,263,000) for the Group.

The results for the year were in line with expectations for sales at this level.

Future outlook

As part of the Dynamatic Technologies Limited Group ("DTL Group"), the Group is well positioned to benefit from increased sales as the DTL Group realigns its global production and expands into new markets. Continued investment in new high technology machinery and enhancing staff skillsets, new products and operational efficiency gains enables the Group to be confident of enhancing its profitability in the coming years.

There are, however, a number of risks and uncertainties that could affect the level of business and profitability. These are discussed below.

Key performance indicators

The principal performance indicators used by the Board are as follows:

KPI – percentage of sales	2023	2022
	%	%
Gross profit	17.5	10.7
EBITDA	11.0	1.8
Operating profit	5.3	(3.7)

DYNAMATIC LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principle risks and uncertainties

Competition

The Group is actively developing lean and agile manufacturing techniques to maintain competitiveness against products from lower cost economies, whilst maintaining production to high quality standards.

Quality

The Group's quality programme is stringent and monitored both internally and externally, through third party and customer audits. This programme is designed to prevent any decline in standards and the potential threat this would have to the Company's reputation and future sales.

Exchange rate movements

A substantial part of the Group's income is in currencies other than Sterling. A sustained shift in exchange rates could have a significant impact on profitability and, where applicable, therefore, the Group uses its foreign currency to purchase raw materials. The Group regularly reviews the need to enter into forward contracts for future currency receipts.

Economic risk

The outlook for the markets in which the Company operates is positive as markets return to pre-pandemic levels of activity, however it's evident that supply chains continue to show some weakness compared to pre-pandemic conditions and the cost of materials, utilities and other inputs continue to rise. Nevertheless, the portfolio of markets we service provides some balance of risk and our ability to develop new products creates significant near-term opportunities to offset the inevitable global economic downturn.

Going concern

The directors are of the opinion that, having reviewed performance forecast, the Group has adequate resources to continue its operations for the foreseeable future. This opinion is underpinned by the ultimate parent company, Dynamatic Technologies Limited, who will provide funding if required in order to enable the entity to continue to meet its obligations and that this undertaking will remain in place for at least 12 months from date of signing of the account. Consequently we continue to adopt the going concern basis in preparation of the financial statements.

DYNAMATIC LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial risk management

Price risk

The nature of the Group's business exposes it to fluctuations in raw material prices. As the nature and size of the Group's operations change, it will continue to assess its procurement policy. The Group has no exposure to equity securities price risk.

Credit risk

Cash deposits are only placed with financial institutions having a high quality investment grade credit rating.

Credit checks are carried out where appropriate for new and existing customers, for key suppliers and suppliers to whom payments on account are made.

Liquidity risk

The Group will take account of cash flow requirements when determining the period of time for which funds are placed on deposit with financial institutions. The Group maintains a mixture of long and short-term debt.

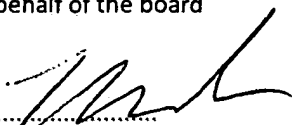
Cash flow and interest rate risk

The Group monitors the level of funds held within the business to ensure that there are sufficient funds available for working capital requirements, capital expenditure and the payment of tax liabilities and dividends. Consideration is also given to the impact of potential downturns in the level of business.

The Group has both interest-bearing assets and liabilities. Interest-bearing assets are short-term cash deposits and as such are subject to changes in interest rate levels. Bank borrowings are subject to changes in interest rate levels.

The Group regularly reviews the appropriateness of its interest rate management.

On behalf of the board



J Tucker
Director

Date: 14 SEPT 2023

DYNAMATIC LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

A Mishra	(Resigned 8 August 2023)
M Handley	
S Hayes	
P Malhoutra	
U Malhoutra	
J Tucker	
G Dore	
P de Bausset	

The company is committed to the principle of equal opportunity in employment.

Open and regular communication with employees at all levels is an essential part of the management of the Company.

Health and safety

Group companies ensure health, safety and environmental affairs continue to receive major attention, not merely to conform to legal requirements, but to positively to develop and maintain high standards.

Political and charitable donations

Details of financial risk management can be found in the Strategic Report.

Future developments

Details of future developments can be found in the Strategic Report.

Financial risk management

Details of financial risk management can be found in the Strategic Report

Auditor

In accordance with the company's articles, a resolution proposing that TC Group be reappointed as auditor of the group will be put at a General Meeting.

DYNAMATIC LTD

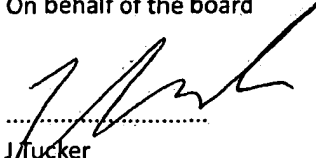
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


.....
J. Tucker
Director

Date: 14 SEPT 2023

DYNAMATIC LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DYNAMATIC LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DYNAMATIC LTD

Opinion

We have audited the financial statements of Dynamatic Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

DYNAMATIC LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DYNAMATIC LTD

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DYNAMATIC LTD

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Checkley FCCA (Senior Statutory Auditor)

For and on behalf of TC Group

Statutory Auditor

Office: Steyning

Date: 14/9/23

DYNAMATIC LTD**GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
	Notes	£000	£000
Turnover	3	34,613	23,454
Cost of sales		(28,558)	(20,954)
Gross profit		6,055	2,500
Distribution costs		(312)	(476)
Administrative expenses		(3,481)	(2,900)
Other operating income		-	11
Operating profit/(loss)	4	2,262	(865)
Interest receivable and similar income	7	9	-
Interest payable and similar expenses	8	(426)	(336)
Profit/(loss) before taxation		1,845	(1,201)
Tax on profit/(loss)	9	(419)	120
Profit/(loss) for the financial year		1,426	(1,081)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

DYNAMATIC LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£000	£000
Profit/(loss) for the year	1,426	(1,081)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,426</u>	<u>(1,081)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

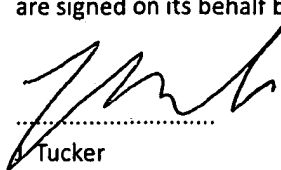
DYNAMATIC LTD

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Goodwill	10		1,013		1,194
Tangible assets	11		8,050		8,182
			<u>9,063</u>		<u>9,376</u>
Current assets					
Stocks	14	10,208		7,506	
Debtors	15	15,855		12,992	
Cash at bank and in hand		237		177	
		<u>26,300</u>		<u>20,675</u>	
Creditors: amounts falling due within one year	16	(21,521)		(16,507)	
Net current assets			<u>4,779</u>		<u>4,168</u>
Total assets less current liabilities			<u>13,842</u>		<u>13,544</u>
Creditors: amounts falling due after more than one year	17		(1,438)		(2,567)
Provisions for liabilities					
Deferred tax liability	19	715	(715)	714	(714)
Net assets			<u>11,689</u>		<u>10,263</u>
Capital and reserves					
Called up share capital	20		6,550		6,550
Profit and loss reserves			5,139		3,713
Total equity			<u>11,689</u>		<u>10,263</u>

The financial statements were approved by the board of directors and authorised for issue on 14 SEPT 2023 and are signed on its behalf by:



Tucker
Director

Company registration number 06243736 (England and Wales)

DYNAMATIC LTD

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Goodwill	10		1,013		1,194
Tangible assets	11		6,949		7,042
Investments	12		1,760		1,760
			<u>9,722</u>		<u>9,996</u>
Current assets					
Stocks	14	9,854		7,052	
Debtors	15	14,710		12,023	
Cash at bank and in hand		1		1	
		<u>24,565</u>		<u>19,076</u>	
Creditors: amounts falling due within one year	16	<u>(19,899)</u>		<u>(15,127)</u>	
Net current assets			<u>4,666</u>		<u>3,949</u>
Total assets less current liabilities			<u>14,388</u>		<u>13,945</u>
Creditors: amounts falling due after more than one year	17		(1,438)		(2,567)
Provisions for liabilities					
Deferred tax liability	19	<u>772</u>	<u>(772)</u>	<u>714</u>	<u>(714)</u>
Net assets			<u>12,178</u>		<u>10,664</u>
Capital and reserves					
Called up share capital	20		6,550		6,550
Other reserves			(2,346)		(2,346)
Profit and loss reserves			7,974		6,460
Total equity			<u>12,178</u>		<u>10,664</u>

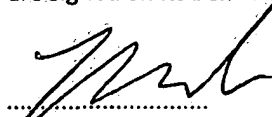
As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,513,988 (2022 - £926,000 loss).

DYNAMATIC LTD

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 14 SEPT 2023 and are signed on its behalf by:



Tucker
Director

Company registration number 06243736 (England and Wales)

DYNAMATIC LTD**GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 April 2021	<u>6,550</u>	<u>4,794</u>	<u>11,344</u>
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	<u>-</u>	<u>(1,081)</u>	<u>(1,081)</u>
Balance at 31 March 2022	<u>6,550</u>	<u>3,713</u>	<u>10,263</u>
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	<u>-</u>	<u>1,426</u>	<u>1,426</u>
Balance at 31 March 2023	<u><u>6,550</u></u>	<u><u>5,139</u></u>	<u><u>11,689</u></u>

DYNAMATIC LTD**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital		Profit and loss reserves	Total
	£000	£000	£000	£000
Balance at 1 April 2021	6,550	(2,346)	7,386	11,590
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2022:				
Loss and total comprehensive income for the year	-	-	(926)	(926)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2022	6,550	(2,346)	6,460	10,664
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2023:				
Profit and total comprehensive income for the year	-	-	1,514	1,514
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2023	6,550	(2,346)	7,974	12,178
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Dynamatic Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Cheney Manor,, Swindon,, Wiltshire, SN2 2PZ.

The group consists of Dynamatic Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1 Accounting policies

(Continued)

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Dynamatic Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is estimated to be 20 years.

- The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.
- Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2.5%
Leasehold land and buildings	12.5% - 33%
Plant and equipment	10% - 12.5%
Fixtures and fittings	20% - 33%
Computer equipment	20%
Tools	20% - 33%
Fixtures and fittings	20% - 33%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1 Accounting policies

(Continued)

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies

(Continued)

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1 Accounting policies

(Continued)

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Leases

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

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

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Intangible assets

The key areas of estimation uncertainty relate to the carrying value of the intangible assets and the potential for impairment. From the impairment review completed at 31 March 2023, no impairment has been identified.

Stock

Management review the stock of the group by means of a stock count and computerised reports from the QAD system. Pricing standards including labour and overhead prices are made by management. These assessments carry an inherent element of estimation uncertainty however the group has relevant controls in place to mitigate this. The estimates impacts stocks.

3 Turnover and other revenue

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue	(Continued)	
	2023	2022
	£000	£000
Turnover analysed by geographical market		
United Kingdom	18,380	11,263
Other European community	2,738	2,729
North America	10,481	4,142
India	2,851	1,830
Rest of the World	163	3,490
	<u>34,613</u>	<u>23,454</u>
	2023	2022
	£000	£000
Other revenue		
Interest income	9	-
Grants received	-	11
	<u>9</u>	<u>11</u>
4 Operating profit/(loss)		
	2023	2022
	£000	£000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(239)	120
Research and development costs	21	53
Government grants	-	(11)
Depreciation of owned tangible fixed assets	1,530	1,273
Profit on disposal of tangible fixed assets	(84)	-
Amortisation of intangible assets	181	181
Operating lease charges	130	128
	<u>1,537</u>	<u>1,644</u>
5 Auditor's remuneration		
	2023	2022
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	36	36
	<u>36</u>	<u>36</u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Production	118	101	118	101
Administration	89	83	85	83
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>207</u>	<u>184</u>	<u>203</u>	<u>184</u>

Their aggregate remuneration comprised:

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
Wages and salaries	6,563	5,061	6,518	4,969
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2023 £000	2022 £000
Interest income		
Interest receivable from group companies	9	-
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2023 £000	2022 £000
Interest on bank overdrafts and loans	411	314
Interest on finance leases and hire purchase contracts	15	22
	<u> </u>	<u> </u>
Total finance costs	<u>426</u>	<u>336</u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

	2023	2022
	£000	£000
Current tax		
UK corporation tax on profits for the current period	379	(224)
Adjustments in respect of prior periods	(18)	-
	<u>361</u>	<u>(224)</u>
Deferred tax		
Origination and reversal of timing differences	58	104
	<u>58</u>	<u>104</u>
Total tax charge/(credit)	<u>419</u>	<u>(120)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£000	£000
Profit/(loss) before taxation	1,845	(1,201)
	<u>1,845</u>	<u>(1,201)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	351	(228)
Tax effect of expenses that are not deductible in determining taxable profit	86	108
Under/(over) provided in prior years	(18)	-
	<u>419</u>	<u>(120)</u>

10 Intangible fixed assets

Group	Goodwill
	£000
Cost	
At 1 April 2022 and 31 March 2023	3,462
	<u>3,462</u>
Amortisation and impairment	
At 1 April 2022	2,268
Amortisation charged for the year	181
	<u>2,449</u>
At 31 March 2023	2,449

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Intangible fixed assets	(Continued)
Carrying amount	
At 31 March 2023	1,013
	<u> </u>
At 31 March 2022	1,194
	<u> </u>
Company	Goodwill
	£000
Cost	
At 1 April 2022 and 31 March 2023	3,462
	<u> </u>
Amortisation and impairment	
At 1 April 2022	2,268
Amortisation charged for the year	181
	<u> </u>
At 31 March 2023	2,449
	<u> </u>
Carrying amount	
At 31 March 2023	1,013
	<u> </u>
At 31 March 2022	1,194
	<u> </u>

The goodwill of £3,462,000 arose on the acquisition of Yew Tree Investments Limited from DM38 Limited on 31 October 2010.

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

Group	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Computer equipment £000	Tools £000	Fixtures and fittings £000	Total £000
Cost								
At 1 April 2022	1,613	473	9,252	958	957	238	5,146	18,637
Additions	-	182	954	143	48	2	114	1,443
Disposals	-	-	(804)	-	-	-	-	(804)
At 31 March 2023	1,613	655	9,402	1,101	1,005	240	5,260	19,276
Depreciation and impairment								
At 1 April 2022	475	202	5,639	757	753	108	2,521	10,455
Depreciation charged in the year	42	128	776	103	112	45	324	1,530
Eliminated in respect of disposals	-	-	(759)	-	-	-	-	(759)
At 31 March 2023	517	330	5,656	860	865	153	2,845	11,226
Carrying amount								
At 31 March 2023	1,096	325	3,746	241	140	87	2,415	8,050
At 31 March 2022	1,138	271	3,613	201	204	130	2,625	8,182

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Computer equipment £000	Tools £000	Fixtures and fittings £000	Total £000
Cost							
At 1 April 2022	473	9,225	958	957	238	5,146	16,997
Additions	182	951	143	48	2	114	1,440
Disposals	-	(804)	-	-	-	-	(804)
At 31 March 2023	655	9,372	1,101	1,005	240	5,260	17,633
Depreciation and impairment							
At 1 April 2022	202	5,614	757	753	108	2,521	9,955
Depreciation charged in the year	128	776	103	112	45	324	1,488
Eliminated in respect of disposals	-	(759)	-	-	-	-	(759)
At 31 March 2023	330	5,631	860	865	153	2,845	10,684
Carrying amount							
At 31 March 2023	325	3,741	241	140	87	2,415	6,949
At 31 March 2022	271	3,611	201	204	130	2,625	7,042

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Fixed asset investments

		Group		Company	
		2023	2022	2023	2022
	Notes	£000	£000	£000	£000
Investments in subsidiaries	13	-	-	1,760	1,760
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements in fixed asset investments

Company	Shares in subsidiaries
	£000
Cost of valuation	
At 1 April 2022 and 31 March 2023	1,760
	<u> </u>
Carrying amount	
At 31 March 2023	1,760
	<u> </u>
At 31 March 2022	1,760
	<u> </u>

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Yew Investments Limited	England and Wales	Property management and investment holding company	Ordinary £1	100.00
Dynamatic US LLC	United States of America	Distribution of hydraulic pumps	Ordinary \$1	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 Dynamatic House, Cheney Manor Industrial Estate, Swindon, Wiltshire, SN2 2PZ
- 2 United States of America

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Stocks

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Raw materials and consumables	3,120	2,952	3,120	2,952
Work in progress	4,906	3,626	4,906	3,626
Finished goods and goods for resale	2,182	928	1,828	474
	<u>10,208</u>	<u>7,506</u>	<u>9,854</u>	<u>7,052</u>

15 Debtors

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	8,469	5,757	8,383	5,646
Amounts owed by group undertakings	4,013	4,394	3,028	3,583
Other debtors	1,237	809	1,165	764
Prepayments and accrued income	2,136	2,032	2,134	2,030
	<u>15,855</u>	<u>12,992</u>	<u>14,710</u>	<u>12,023</u>

16 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2023	2022	2023	2022
		£000	£000	£000	£000
Bank loans and overdrafts	18	1,824	1,127	1,824	1,127
Obligations under finance leases		422	467	422	467
Trade creditors		4,903	3,807	4,903	3,807
Amounts owed to group undertakings		6,684	5,266	4,284	4,031
Corporation tax payable		(215)	(555)	(289)	(627)
Other taxation and social security		420	305	416	301
Other creditors		6,371	4,932	7,227	4,863
Accruals and deferred income		1,112	1,158	1,112	1,158
		<u>21,521</u>	<u>16,507</u>	<u>19,899</u>	<u>15,127</u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2023	2022	2023	2022
		£000	£000	£000	£000
Bank loans and overdrafts	18	529	1,046	529	1,046
Obligations under finance leases		909	1,521	909	1,521
		<u>1,438</u>	<u>2,567</u>	<u>1,438</u>	<u>2,567</u>

18 Loans and overdrafts

		Group		Company	
		2023	2022	2023	2022
		£000	£000	£000	£000
Bank loans		1,365	1,380	1,365	1,380
Bank overdrafts		988	793	988	793
		<u>2,353</u>	<u>2,173</u>	<u>2,353</u>	<u>2,173</u>
Payable within one year		1,824	1,127	1,824	1,127
Payable after one year		529	1,046	529	1,046
		<u>2,353</u>	<u>2,173</u>	<u>2,353</u>	<u>2,173</u>

Amounts owed to group undertakings are unsecured, are repayable on demand and do not attract interest.

19 Deferred taxation

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

	Liabilities	Liabilities
	2023	2022
Group	£000	£000
Accelerated capital allowances	<u>715</u>	<u>714</u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19	Deferred taxation	(Continued)	
		Liabilities	Liabilities
		2023	2022
	Company	£000	£000
	Accelerated capital allowances	772	714
		<u>772</u>	<u>714</u>
		Group	Company
		2023	2023
		£000	£000
	Movements in the year:		
	Liability at 1 April 2022	714	714
	Charge to profit or loss	1	58
		<u>1</u>	<u>58</u>
	Liability at 31 March 2023	715	772
		<u>715</u>	<u>772</u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£000	£000
Issued and fully paid				
Ordinary shares of £0001 each	6,550	6,550	6,550	6,550
	<u>6,550</u>	<u>6,550</u>	<u>6,550</u>	<u>6,550</u>

21 Operating lease commitments

Lessee

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

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Within one year	3	2,403	3	2,403
Between two and five years	1,885	5,749	1,885	5,749
In over five years	10,328	4,875	10,328	4,875
	<u>12,216</u>	<u>13,027</u>	<u>12,216</u>	<u>13,027</u>

DYNAMATIC LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Controlling party

The company's immediate controlling party, owning 100% of the share capital, is JKM Global PTE Limited whose registered address is 8 Temasek Boulevard, No 35-03 Suntec Tower 3, Singapore 038988, a company incorporated in Singapore. The company's ultimate controlling party is Dynamatic Technologies Limited, a company incorporated in India.

The smallest and largest group in which the results of the group are consolidated is that headed by Dynamatic Technologies Limited, incorporated in India. The consolidated financial statements of this company are available to the public and can be obtained from the registered office JKM Plaza, Dynamatic Aerotropolis, 55 Kiadb, Aerospace Park, Devanahalli, Bangalore, 562110, India.