

Company registration number 02565440 (England and Wales)

DYNAMIC CONSTRUCTION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

DYNAMIC CONSTRUCTION LIMITED

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DYNAMIC CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		84,564		360,226
Investment property	5		7,477,046		6,217,391
Investments	6		1		1
			<u>7,561,611</u>		<u>6,577,618</u>
Current assets					
Debtors	7	210,608		1,091,789	
Cash at bank and in hand		944,673		257,851	
		<u>1,155,281</u>		<u>1,349,640</u>	
Creditors: amounts falling due within one year	8	<u>(715,018)</u>		<u>(668,639)</u>	
Net current assets			<u>440,263</u>		<u>681,001</u>
Total assets less current liabilities			<u>8,001,874</u>		<u>7,258,619</u>
Creditors: amounts falling due after more than one year	10		(1,494,857)		(1,640,595)
Provisions for liabilities			<u>(569,301)</u>		<u>(551,004)</u>
Net assets			<u>5,937,716</u>		<u>5,067,020</u>
Capital and reserves					
Called up share capital			1,000		1,000
Revaluation reserve	12		183,990		-
Profit and loss reserves	13		5,752,726		5,066,020
Total equity			<u>5,937,716</u>		<u>5,067,020</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

DYNAMIC CONSTRUCTION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved and signed by the director and authorised for issue on 5 June 2023

Mrs J M Southall
Director

Company Registration No. 02565440

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Dynamic Construction Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Main Road, Kempsey, Worcestershire, WR5 3NB.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, [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 has taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts. As such the financial statements present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of services falling within the company's ordinary activities.

In accordance with the principles of revenue recognition income is recognised as the right to consideration is obtained through the performance of contractual obligations.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 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:

Land and buildings Freehold	- 2% straight line
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance

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

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. 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 company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.7 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.

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

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

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.

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 company 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.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 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.

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

Fair value of investment properties

The director estimates the fair value of its investment properties, taking into account the most reliable evidence at each reporting date. The value is based on market conditions and director's judgement.

Stage of completion of work in progress

In determining the amounts of income and profits/losses on long term contract work in progress to be recognised in the financial year, the director considers factors such as costs incurred to date, estimated costs to complete, any associated risks and past experience of similar contracts.

Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated useful life of the asset and circumstances. The director annually reviews the asset life and adjust as necessary to reflect current thinking on the remaining life in light of technological change, prospective economic utilisation and physical condition of the asset concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes to asset lives on an overall basis, as asset lives are individually determined.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2021 - 2).

	2022 Number	2021 Number
Total	3	2

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2022	562,331	86,003	6,342	654,676
Additions	199,321	56,094	10,332	265,747
Disposals	-	(2,276)	(2,713)	(4,989)
Revaluation	142,772	-	-	142,772
Transfer to investment property	(904,424)	-	-	(904,424)
At 31 December 2022	-	139,821	13,961	153,782
Depreciation and impairment				
At 1 January 2022	243,670	48,685	2,095	294,450
Depreciation charged in the year	1,561	19,735	1,327	22,623
Reversal of past impairment	(196,083)	-	-	(196,083)
Eliminated in respect of disposals	-	(1,437)	(1,187)	(2,624)
Revaluation	(49,148)	-	-	(49,148)
At 31 December 2022	-	66,983	2,235	69,218
Carrying amount				
At 31 December 2022	-	72,838	11,726	84,564
At 31 December 2021	318,661	37,318	4,247	360,226

5 Investment property

	2022 £
Fair value	
At 1 January 2022	6,217,391
Additions	355,231
Transfers	904,424
At 31 December 2022	7,477,046

The fair value of the investment property has been arrived at on the basis of a valuation by the director.

6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	96,518	972,359
Other debtors	114,090	119,430
	<u>210,608</u>	<u>1,091,789</u>

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	143,547	142,229
Trade creditors	237,307	215,405
Corporation tax	111,276	74,274
Other taxation and social security	8,523	19,465
Other creditors	208,994	210,976
Accruals and deferred income	5,371	6,290
	<u>715,018</u>	<u>668,639</u>

9 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,638,404	1,782,824
Payable within one year	143,547	142,229
Payable after one year	1,494,857	1,640,595

The company's bankers have various fixed and floating charges over the company's undertaking and all property and assets present and future, including uncalled capital.

The company's long term bank loans have a term of fifteen years and will be repaid by November 2030. Interest on the loans will be charged at between 3.0% and 4.1%.

10 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	9	1,494,857	1,640,595
Amounts included above which fall due after five years are as follows:			
Payable by instalments		960,281	1,050,181

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	21,141	10,774
Revaluations	7,930	-
Investment property	540,230	540,230
	<u>569,301</u>	<u>551,004</u>
Movements in the year:		2022 £
Liability at 1 January 2022		551,004
Charge to profit or loss		10,367
Charge to other comprehensive income		7,930
Liability at 31 December 2022		<u>569,301</u>

12 Revaluation reserve

	2022 £	2021 £
At the beginning of the year	-	-
Revaluation surplus arising in the year	191,920	-
Deferred tax on revaluation of tangible assets	(7,930)	-
At the end of the year	<u>183,990</u>	<u>-</u>

13 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	5,066,020	4,930,041
Profit for the year	690,706	139,979
Dividends declared and paid in the year	(4,000)	(4,000)
At the end of the year	<u>5,752,726</u>	<u>5,066,020</u>

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Profit and loss reserves

(Continued)

Included within profit and loss reserves are non-distributable profits, as set out below:

	2022	2021
	£	£
Non-distributable profits included above		
At the beginning of the year	2,029,516	2,159,176
Non distributable profits in the year	-	(129,660)
	<u>2,029,516</u>	<u>2,029,516</u>
At the end of the year	<u>2,029,516</u>	<u>2,029,516</u>
Distributable profits	<u>3,723,210</u>	<u>3,036,504</u>

DYNAMIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Related party transactions

Transactions with related parties

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

Name of related party		Nature of relationship			
Other related parties		Companies owned by family members of the director			
	Description of transaction	Income		Payments	
		2022	2021	2022	2021
		£	£	£	£
Other related parties	Normal trading transactions	333,998	116,008	13,138	15,989

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2022	2021	2022	2021
	£	£	£	£
Other related parties	4,453	-	156,656	99,020

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