

**ARMTRAC LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

**ARMTRAC LIMITED**  
**REGISTERED NUMBER: 03915015**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	4	179,432	187,215
<b>CURRENT ASSETS AND LIABILITIES</b>			
Stocks and work in progress	5	3,358,856	2,228,432
Debtors: amounts falling due within one year	6	263,826	1,410,335
Cash at bank and in hand	7	3,682	709,104
		<u>3,626,364</u>	<u>4,347,871</u>
Creditors: amounts falling due within one year	8	(1,665,792)	(2,689,097)
<b>NET CURRENT ASSETS</b>		<u>1,960,572</u>	<u>1,658,774</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,140,004	1,845,989
Creditors: amounts falling due after more than one year	9	(41,926)	-
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	11	(20,115)	(22,829)
<b>NET ASSETS</b>		<u><u>2,077,963</u></u>	<u><u>1,823,160</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Profit and loss account		<u>2,077,961</u>	<u>1,823,158</u>
		<u><u>2,077,963</u></u>	<u><u>1,823,160</u></u>

**ARMTRAC LIMITED**  
**REGISTERED NUMBER: 03915015**

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 NOVEMBER 2019**

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....  
**Mr S Brown**  
Director

Date: 27 August 2020

The notes on pages 3 to 10 form part of these financial statements.

## ARMTRAC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019

#### 1. GENERAL INFORMATION

Armtrac Limited is a private Company limited by shares incorporated in England and Wales within the United Kingdom. The address of the registered office is 70 Reach Road, Burwell, Cambs, CB25 0AH. This Company is not part of a group.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

##### 2.2 GOING CONCERN

The Company is only able to trade with the continuing support of its bankers, who have indicated that this support will not be withdrawn. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of this support. Where possible the company has taken advantage of the support available.

Following the year end the company has been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic. The result of this is the projections for 30 November 2020 financial statements show that income from machinery sales will be down due to the majority of contacts requiring government approval which has been difficult during the pandemic. However the company is tendering for multiple contracts and it is hopeful that one of these will come to fruition within the current calendar year.

The directors consider that the resources available to the company will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted. However, there is a high level of uncertainty about how long the restrictions will last and the level of demand once the restrictions have ended which could affect this assessment. The financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.3 REVENUE

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

**Sale of goods**

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

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

2.4 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property improvements	-	10% straight line
Plant and machinery	-	20 % reducing balance
Motor vehicles	-	25 % reducing balance

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

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

2.5 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes directly attributable costs.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 DEBTORS**

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

**2.7 CASH AND CASH EQUIVALENTS**

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

**2.8 FINANCIAL INSTRUMENTS**

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

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

**2.9 CREDITORS**

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

**2.10 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

**2.11 FINANCE COSTS**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 OPERATING LEASES: THE COMPANY AS LESSEE**

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

**2.13 PENSIONS**

**Defined contribution pension plan**

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

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

**2.14 BORROWING COSTS**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**2.15 CURRENT AND DEFERRED TAXATION**

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

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

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

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

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

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 17 (2018 - 18).

ARMTRAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

4. TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Other fixed assets £	Total £
<b>COST OR VALUATION</b>			
At 1 December 2018	139,974	221,175	361,149
Additions	16,598	8,014	24,612
Disposals	-	(5,686)	(5,686)
At 30 November 2019	<u>156,572</u>	<u>223,503</u>	<u>380,075</u>
<b>DEPRECIATION</b>			
At 1 December 2018	43,352	130,582	173,934
Charge for the year on owned assets	12,407	19,431	31,838
Disposals	-	(5,129)	(5,129)
At 30 November 2019	<u>55,759</u>	<u>144,884</u>	<u>200,643</u>
<b>NET BOOK VALUE</b>			
At 30 November 2019	<u>100,813</u>	<u>78,619</u>	<u>179,432</u>
At 30 November 2018	<u>96,622</u>	<u>90,593</u>	<u>187,215</u>

5. STOCKS AND WORK IN PROGRESS

	2019 £	2018 £
Work in progress	3,174,665	1,961,686
Stock	184,191	266,746
	<u>3,358,856</u>	<u>2,228,432</u>

**ARMTRAC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

**6. DEBTORS**

	2019 £	2018 £
Trade debtors	214,775	1,145,103
Other debtors	35,379	201,413
Prepayments and accrued income	13,672	63,819
	263,826	1,410,335

**7. CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash at bank and in hand	3,682	709,104
Less: bank overdrafts	(321,113)	-
	(317,431)	709,104

**8. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Bank overdrafts	321,113	-
Other loans	547,000	-
Trade creditors	192,673	149,575
Corporation tax	174,407	138,301
Other taxation and social security	13,677	22,274
Obligations under finance lease and hire purchase contracts	110,308	427,490
Other creditors	18,803	17,105
Accruals and deferred income	287,811	1,934,352
	1,665,792	2,689,097

**9. CREDITORS: Amounts falling due after more than one year**

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	41,926	-

Included within creditors are secured debts amounting to £547,000 (2018 - £Nil) which have been secured by a personal guarantee. Also included are secured debts amounting to £321,113 (2018 - £Nil) which are secured via a fixed and floating charge on the company's assets.

**ARMTRAC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

**10. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	110,308	427,490
Between 1-5 years	41,926	-
	152,234	427,490

**11. DEFERRED TAXATION**

		2019 £
At beginning of year		(22,829)
Charged to profit or loss		2,714
<b>AT END OF YEAR</b>		<b>(20,115)</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(20,115)	(22,829)

**12. SHARE CAPITAL**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2 (2018 - 2) Ordinary shares of £1.00 each	2	2

**13. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,296 (2018 - £9,759). £2,207 (2018 - £3,017) was payable to the fund at the balance sheet date.

**14. DIRECTORS' PERSONAL GUARANTEES**

The directors have provided personal security on bank loans provided to the Company. The amount outstanding at the year end was £547,000 (2018 - £Nil). This loan is repayable by the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

**15. RELATED PARTY TRANSACTIONS**

During the year the Company operated a loan with one of the directors of the Company. The amount payable by the Company at the year end was £2,292 (2018 - £2,292). This loan is interest free and repayable on demand.

At 01 December 2018 the Company was owed £41,820 by one of the directors of the Company. During the year they made repayments of £40,000 and withdrew amounts totalling £3,376. At 30 November 2019 £5,196 was owed to the Company. This loan is interest free and repayable on demand. No S455 tax has been provided as the loan was repaid within 9 months of the year end.

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