

ARMTRAC LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 NOVEMBER 2021

ARMTRAC LIMITED
REGISTERED NUMBER: 03915015

BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	131,145	151,226
Current assets			
Stocks	5	2,869,142	2,486,116
Debtors: amounts falling due within one year	6	925,800	253,812
Cash at bank and in hand		80,265	245
Current liabilities		3,875,207	2,740,173
Creditors: amounts falling due within one year	7	(2,355,319)	(1,122,233)
Net current assets		1,519,888	1,617,940
Total assets less current liabilities		1,651,033	1,769,166
Creditors: amounts falling due after more than one year	8	(64,297)	(31,446)
Provisions for liabilities			
Deferred tax	11	-	(16,726)
Net assets		<u>1,586,736</u>	<u>1,720,994</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		1,586,734	1,720,992
		<u>1,586,736</u>	<u>1,720,994</u>

ARMTRAC LIMITED
REGISTERED NUMBER: 03915015

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2021

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: 31 August 2022

The notes on pages 3 to 11 form part of these financial statements.

ARMTRAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

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 2022 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 2021

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, using the methods below.

Depreciation is provided on the following basis:

Leasehold property improvements	- 10% straight line
Plant and machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 20% 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 profit or loss.

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. Costs 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.

ARMTRAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.11 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.

2.12 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.13 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.14 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 profit or loss 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.

2.15 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.16 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

ARMTRAC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.17 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 11 (2020 - 13).

ARMTRAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

4. TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Other fixed assets £	Total £
COST			
At 1 December 2020	156,572	223,503	380,075
Additions	-	7,097	7,097
Disposals	-	(14,313)	(14,313)
At 30 November 2021	<u>156,572</u>	<u>216,287</u>	<u>372,859</u>
Depreciation			
At 1 December 2020	68,202	160,647	228,849
Charge for the year on owned assets	12,443	13,071	25,514
Disposals	-	(12,649)	(12,649)
At 30 November 2021	<u>80,645</u>	<u>161,069</u>	<u>241,714</u>
Net book value			
At 30 November 2021	<u>75,927</u>	<u>55,218</u>	<u>131,145</u>
At 30 November 2020	<u>88,370</u>	<u>62,856</u>	<u>151,226</u>

5. STOCKS AND WORK IN PROGRESS

	2021 £	2020 £
Work in progress (goods to be sold)	2,833,153	2,296,540
Finished goods and goods for resale	35,989	189,576
	<u>2,869,142</u>	<u>2,486,116</u>

6. DEBTORS

	2021 £	2020 £
Trade debtors	439,943	220,611
Other debtors	417,725	22,351
Prepayments and accrued income	52,242	10,850
Deferred taxation	15,890	-
	<u>925,800</u>	<u>253,812</u>

ARMTRAC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

7. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	-	223,833
Bank loans	6,667	-
Other loans	250,000	331,000
Trade creditors	633,922	171,084
Corporation tax	32,008	46,966
Other taxation and social security	78,182	20,328
Obligations under finance lease and hire purchase contracts	10,481	10,481
Other creditors	1,033,368	10,341
Accruals and deferred income	310,691	308,200
	<u>2,355,319</u>	<u>1,122,233</u>

8. CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	43,334	-
Net obligations under finance leases and hire purchase contracts	<u>20,963</u>	<u>31,446</u>

Included within creditors are secured debts amounting to £250,000 (2020 - £331,000) which have been secured by a personal guarantee. Also included are secured debts amounting to £50,000 (2020 - £223,833) which are secured via a fixed and floating charge on the Company's assets. Also included are secured debts amounting to £31,444 (2020 - £41,927) which are secured on the fixed assets to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

9. LOANS

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	6,667	-
Other loans	250,000	331,000
	<u>256,667</u>	<u>331,000</u>
Amounts falling due 1-2 years		
Bank loans	10,000	-
Amounts falling due 2-5 years		
Bank loans	30,000	-
Amounts falling due after more than 5 years		
Bank loans	3,334	-
	<u>300,001</u>	<u>331,000</u>

10. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	10,481	10,481
Between 1-5 years	20,963	31,446
	<u>31,444</u>	<u>41,927</u>

ARMTRAC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

11. DEFERRED TAXATION

	2021 £
At beginning of year	(16,726)
Charged to profit or loss	32,616
	<u>15,890</u>
At end of year	<u>15,890</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u>15,890</u>	<u>(16,726)</u>

12. SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

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 £7,775 (2020 - £8,920). £3,076 (2020 - £1,663) 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 £250,000 (2020 - £331,000). This loan is repayable by the Company.

15. RELATED PARTY TRANSACTIONS

During the year the Company operated a loan with the directors of the Company. The amount payable by the Company at the year end was £993,430 (2020 - £15,859 owe to the Company). This loan is interest free and repayable on demand.

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.