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REGISTERED NUMBER: 01997888 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010
FOR
ARMOURCOAT LIMITED
TRADING AS ARMOURCOAT SURFACE FINISHES**

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ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

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ARMOURCOAT LIMITED
TRADING AS ARMOURCOAT SURFACE FINISHES

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2010

DIRECTORS:	J M M MacKellar D M M MacKellar G Whitehead D Nevitt V O'Brien S Tweedy
SECRETARY:	G Whitehead
REGISTERED OFFICE:	Unit 2 Morewood Close London Road Sevenoaks Kent TN13 2HU
REGISTERED NUMBER:	01997888 (England and Wales)
AUDITORS:	The Carley Partnership Registered Auditor St James's House 8 Overcliffe Gravesend Kent DA11 0HJ
BANKERS:	National Westminster Bank Plc Deal Branch 31 High Street Deal Kent CT14 6EW

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

The directors present their report with the financial statements of the company for the year ended 30 September 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturing and applying hard plaster

The principal activities of the company's subsidiaries was as follows

Prodorsquash International Limited	Dormant
Prodonte Formula 90 Limited	Dormant
Armourcoat Surface Finishes Inc	Manufacture and applying hard plaster

REVIEW OF BUSINESS

Armourcoat Limited has managed very well through another year of very difficult trading. Its US head office has become firmly established providing a solid platform for growth in the Americas,

The business has been enhanced with the rapid development of the new casting operation. The casting factory opened in January 2010 is now producing panels and cast pieces at capacity.

The Board remains bullish about 2011 and has several new concepts which will be launched during the year.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2010 will be £183,105.

RESEARCH AND DEVELOPMENT

The company is undertaking continuous review of its product base.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2009 to the date of this report.

J M M MacKellar
D M M MacKellar
G Whitehead
D Nevitt
V O'Brien
S Tweedy

TAXATION STATUS

The company was a close company within the provisions of the Corporation Taxes Act 2010 and this position has not changed since the end of the financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, The Carley Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:



G Whitehead - Director

Date.

7/2/11.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ARMOURCOAT LIMITED

We have audited the financial statements of Armourcoat Limited for the year ended 30 September 2010 on pages five to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Claire Ralph (Senior Statutory Auditor)
for and on behalf of The Carley Partnership
Registered Auditor
St James's House
8 Overcliffe
Gravesend
Kent
DA11 0HJ

Date 6th April 2011

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	£	2009 £	£
TURNOVER	2		5,101,067		4,616,166
Cost of sales			2,327,030		2,031,060
GROSS PROFIT			2,774,037		2,585,106
Distribution costs		140,378		155,338	
Administrative expenses		2,271,892		2,335,836	
			2,412,270		2,491,174
OPERATING PROFIT	3		361,767		93,932
Interest receivable and similar income	4		5,361		6,525
			367,128		100,457
Interest payable and similar charges			14,690		1,764
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			352,438		98,693
Tax on profit on ordinary activities	5		97,748		23,631
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			254,690		75,062

The notes form part of these financial statements

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

BALANCE SHEET
30 SEPTEMBER 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Intangible assets	7	30,375	37,125
Tangible assets	8	298,081	312,247
Investments	9	612	612
		<u>329,068</u>	<u>349,984</u>
CURRENT ASSETS			
Stocks		365,391	341,166
Debtors	10	2,082,678	1,634,846
Cash at bank and in hand		318,929	318,757
		<u>2,766,998</u>	<u>2,294,769</u>
CREDITORS			
Amounts falling due within one year	11	<u>1,186,356</u>	<u>808,704</u>
NET CURRENT ASSETS		<u>1,580,642</u>	<u>1,486,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,909,710</u>	<u>1,836,049</u>
PROVISIONS FOR LIABILITIES	14	<u>18,117</u>	<u>16,041</u>
NET ASSETS		<u><u>1,891,593</u></u>	<u><u>1,820,008</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	720	720
Profit and loss account	16	<u>1,890,873</u>	<u>1,819,288</u>
SHAREHOLDERS' FUNDS		<u><u>1,891,593</u></u>	<u><u>1,820,008</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on
on its behalf by

7/2/2011

and were signed


D.M.M. MacKellar - Director

G Whitehead - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Preparation of consolidated financial statements

The financial statements contain information about Armourcoat Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

Know-how

Know-how is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 20 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery etc	- 25% on reducing balance, 20% on reducing balance, 20% on cost, 15% on reducing balance and 10% on reducing balance
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Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

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

Investments

Fixed asset investments are stated at cost less provision for diminution in value

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

3. OPERATING PROFIT

The operating profit is stated after charging

	2010	2009
	£	£
Depreciation - owned assets	63,035	58,664
Loss on disposal of fixed assets	1,892	3,547
Patents and licences amortisation	6,750	6,750
Auditors' remuneration	10,570	6,465
Pension costs	29,443	43,620
	<u>415,188</u>	<u>386,428</u>
Directors' remuneration and other benefits etc	415,188	386,428

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	5
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4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£	£
Deposit account interest	4,639	6,525
Other interest received	722	-
	<u>5,361</u>	<u>6,525</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2010	2009
	£	£
Current tax		
UK corporation tax	95,672	28,333
Deferred tax	2,076	(4,702)
Tax on profit on ordinary activities	<u>97,748</u>	<u>23,631</u>

UK corporation tax has been charged at 26.71% (2009 - 21%)

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

6 DIVIDENDS

	2010 £	2009 £
Ordinary A shares of £1 each Interim	166,595	148,986
Ordinary B shares of £1 each Interim	2,528	15,694
Ordinary C shares of £1 each Interim	1,806	13,733
Ordinary D shares of £1 each Interim	10,370	93,382
Ordinary E shares of £1 each Interim	1,806	13,733
	<u>183,105</u>	<u>285,528</u>

7 INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 October 2009 and 30 September 2010	<u>135,000</u>
AMORTISATION	
At 1 October 2009	97,875
Charge for year	<u>6,750</u>
At 30 September 2010	<u>104,625</u>
NET BOOK VALUE	
At 30 September 2010	<u>30,375</u>
At 30 September 2009	<u>37,125</u>

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

8 TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 October 2009	774,039
Additions	50,761
Disposals	(5,553)
At 30 September 2010	<u>819,247</u>
DEPRECIATION	
At 1 October 2009	461,792
Charge for year	63,035
Eliminated on disposal	(3,661)
At 30 September 2010	<u>521,166</u>
NET BOOK VALUE	
At 30 September 2010	<u>298,081</u>
At 30 September 2009	<u>312,247</u>

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2009 and 30 September 2010	<u>612</u>
NET BOOK VALUE	
At 30 September 2010	<u>612</u>
At 30 September 2009	<u>612</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Prodorsquash International Limited

Country of incorporation. England and Wales
Nature of business Dormant

Class of shares	% holding	2010	2009
Ordinary £1	100.00	£	£
Aggregate capital and reserves		<u>2,907</u>	<u>2,907</u>

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

9 FIXED ASSET INVESTMENTS - continued

Prodorite Formula 90 Limited

Country of incorporation England and Wales
Nature of business Dormant

Class of shares	% holding	2010	2009
Ordinary £1	100 00	£	£
Aggregate capital and reserves		2	2

Armourcoat Surface Finishes Inc

Country of incorporation United States of America
Nature of business Manufacture and applying hard plaster

Class of shares	% holding	30/9/10	30/9/09
Common stock no par value	100 00	£	£
Aggregate capital and reserves		(138,012)	(1,881)
Loss for the year/period		(136,110)	(2,508)

10 DEBTORS

	2010	2009
	£	£
Amounts falling due within one year		
Trade debtors	1,282,299	1,168,013
Amounts owed by group undertakings	40,587	38,930
Amounts recoverable on contract	472,902	317,828
Other debtors	147,855	110,075
	<u>1,943,643</u>	<u>1,634,846</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>139,035</u>	-
Aggregate amounts	<u>2,082,678</u>	<u>1,634,846</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts	71,375	159,269
Payments on account	60,800	-
Trade creditors	238,297	286,131
Amounts owed to group undertakings	2,907	2,907
Taxation and social security	201,048	85,364
Other creditors	611,929	275,033
	<u>1,186,356</u>	<u>808,704</u>

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2010 £	2009 £
Expiring:		
Within one year	77,229	10,895
Between one and five years	-	66,334
In more than five years	74,854	43,854
	<u>152,083</u>	<u>121,083</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdraft	<u>71,375</u>	<u>-</u>

The Company's bankers have the following security:

A mortgage debenture over the assets of the Company

14 PROVISIONS FOR LIABILITIES

	2010 £	2009 £
Deferred tax		
Accelerated capital allowances	18,117	16,858
Other timing differences	-	(817)
	<u>18,117</u>	<u>16,041</u>
		Deferred tax
		£
Balance at 1 October 2009		16,041
Accelerated capital allowances		1,259
Other timing differences		817
Balance at 30 September 2010		<u>18,117</u>

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2010 £	2009 £
400	Ordinary A	£1	400	400
49	Ordinary B	£1	49	49
35	Ordinary C	£1	35	35
201	Ordinary D	£1	201	201
35	Ordinary E	£1	35	35
			<u>720</u>	<u>720</u>

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
TRADING AS ARMOURCOAT SURFACE FINISHES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

16 RESERVES

	Profit and loss account £
At 1 October 2009	1,819,288
Profit for the year	254,690
Dividends	(183,105)
At 30 September 2010	<u>1,890,873</u>

17 PENSION COMMITMENTS

At 30th September 2010 the company owed £4,654 (2009 £5,343) in respect of pension contributions payable to schemes of the employees

18 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 30 September 2010 and 30 September 2009

	2010 £	2009 £
J M M MacKellar		
Balance outstanding at start of year	553	-
Amounts advanced	707	2,233
Amounts repaid	(1,260)	(1,680)
Balance outstanding at end of year	<u>-</u>	<u>553</u>
D M M MacKellar		
Balance outstanding at start of year	-	-
Amounts advanced	3,222	-
Amounts repaid	(3,222)	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
G Whitehead		
Balance outstanding at start of year	3,222	6,404
Amounts repaid	(3,222)	(3,183)
Balance outstanding at end of year	<u>-</u>	<u>3,221</u>
S Tweedy		
Balance outstanding at start of year	-	-
Amounts advanced	20,000	-
Amounts repaid	(5,864)	-
Balance outstanding at end of year	<u>14,136</u>	<u>-</u>

During the year the company advanced Mr S Tweedy a formal loan repayable over 3 years. Interest is charged on the loan at a rate of 3% above National Westminster Bank base rate. The loan is repayable in instalments.

Mr JMM MacKellar has given a legal mortgage over his home in respect of the Company's bank facilities

ARMOURCOAT LIMITED (REGISTERED NUMBER: 01997888)
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2010

19 RELATED PARTY DISCLOSURES

D M M MacKellar and J.M M MacKellar were directors and shareholders of the Company G Whitehead, D Nevitt, V O'Brian and S Tweedy were directors of the company The amounts owed by the directors to the Company are disclosed in note 18 to the financial statements

As at the 30th September 2010 the company owed its director D MacKellar £Nil (2009: £200,517) in respect of the balance on his loan account Interest is paid monthly on the balance and the loan is repayable on demand

During the year Mr JM MacKellar advanced the company a formal loan of £500,000 The loan has no formal repayment date, however the lenders can give 1 month's notice for repayment Interest is charged on the loan at 3% over base rate

The amounts owed to / (owed by) the company in respect of subsidiary company balances was as follows

	2010	2009
Prodorsquash International Limited	(2,907)	(2,907)
Prodorite Formula 90 Limited	126	126
Armourcoat Surface Finishes Inc		
Short term funding	40,587	38,804
Long term funding due for repayment 2013	139,035	-
Trade debtors		

The loan to Armourcoat Surface Finishes Inc is interest free

20 ULTIMATE CONTROLLING PARTY

No one party controls the company