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REGISTERED NUMBER: 01997888 (England and Wales)

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014  
FOR  
ARMOURCOAT LIMITED  
TRADING AS ARMOURCOAT SURFACE FINISHES**

The Carley Partnership  
Registered Auditor  
St James's House  
8 Overcliffe  
Gravesend  
Kent  
DA11 0HJ

FRIDAY



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COMPANIES HOUSE

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

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**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**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**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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The directors present their report with the financial statements of the company for the year ended 30 September 2014.

**REVIEW OF BUSINESS**

The UK business saw continued solid performance during the 2013/14 year and notably its order book suggests that this solidity will continue through 2014/15. With some new products being released future prospects look encouraging. It is anticipated that the business will see a period of growth over the next 5 years after the difficult trading years of the recession.

The US subsidiary however has had a disappointing year. It has initially returned to profitability since the financial year end with encouraging revenues. It is anticipated that overheads will be managed to ensure that trend continues throughout 2014/15.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 September 2014 will be £262,264.

**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 2013 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.

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.

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



.....  
G Whitehead - Director

Date: 19/12/14 .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARMOURCOAT LIMITED**

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We have audited the financial statements of Armourcoat Limited for the year ended 30 September 2014 on pages six 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 page two, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2014 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ARMOURCOAT LIMITED**

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**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 in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

*Claire M Ralph*

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

Date: *22/1/15*

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>		4,993,831	4,669,154
Cost of sales		<u>2,352,122</u>	<u>2,125,144</u>
<b>GROSS PROFIT</b>		2,641,709	2,544,010
Distribution costs		135,498	129,844
Administrative expenses		<u>2,153,806</u>	<u>2,320,617</u>
		2,289,304	2,450,461
<b>OPERATING PROFIT</b>	2	352,405	93,549
Interest receivable and similar income	3	<u>3,473</u>	<u>4,155</u>
		355,878	97,704
Interest payable and similar charges		<u>-</u>	<u>4,662</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		355,878	93,042
Tax on profit on ordinary activities	4	<u>39,592</u>	<u>(80,295)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>316,286</u></u>	<u><u>173,337</u></u>

The notes form part of these financial statements



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

**BALANCE SHEET**  
**30 SEPTEMBER 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	6	3,375	10,125
Tangible assets	7	186,066	210,090
Investments	8	612	612
		<u>190,053</u>	<u>220,827</u>
<b>CURRENT ASSETS</b>			
Stocks		420,382	378,906
Debtors	9	1,733,551	1,480,185
Cash at bank and in hand		359,314	550,042
		<u>2,513,247</u>	<u>2,409,133</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	636,407	619,352
<b>NET CURRENT ASSETS</b>		<u>1,876,840</u>	<u>1,789,781</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,066,893</u>	<u>2,010,608</u>
<b>PROVISIONS FOR LIABILITIES</b>	12	6,668	4,405
<b>NET ASSETS</b>		<u><u>2,060,225</u></u>	<u><u>2,006,203</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	720	720
Profit and loss account	14	2,059,505	2,005,483
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,060,225</u></u>	<u><u>2,006,203</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 15/01/2015 and were signed on its behalf by: *DM*

*DM*  
 D M M Mackellar - Director

*GW*  
 G Whitehead - Director

The notes form part of these financial statements

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**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.

**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 its 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	- 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.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**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.

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	35,902	39,797
Loss on disposal of fixed assets	1,439	1,212
Patents and licences amortisation	6,750	6,750
Auditors' remuneration	10,035	15,475
Pension costs	33,135	30,577
	<u>339,539</u>	<u>444,759</u>
Directors' remuneration and other benefits etc	<u>339,539</u>	<u>444,759</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2014	2013
	£	£
Deposit account interest	3,473	3,881
Other interest received	-	274
	<u>3,473</u>	<u>4,155</u>

**4. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	55,088	26,893
Tax credits from research and development expenditure	(17,759)	(101,209)
Total current tax	37,329	(74,316)
Deferred tax	2,263	(5,979)
Tax on profit on ordinary activities	<u>39,592</u>	<u>(80,295)</u>

UK corporation tax has been charged at 21.51% (2013 - 20%).

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**5. DIVIDENDS**

	2014 £	2013 £
Ordinary A shares of £1 each Interim	-	8,120
Ordinary B shares of £1 each Interim	29,383	14,210
Ordinary C shares of £1 each Interim	20,988	10,150
Ordinary D shares of £1 each Interim	190,905	136,927
Ordinary E shares of £1 each Interim	20,988	10,150
	<u>262,264</u>	<u>179,557</u>

**6. INTANGIBLE FIXED ASSETS**

	Other intangible assets £
<b>COST</b>	
At 1 October 2013 and 30 September 2014	<u>135,000</u>
<b>AMORTISATION</b>	
At 1 October 2013	124,875
Charge for year	<u>6,750</u>
At 30 September 2014	<u>131,625</u>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<u>3,375</u>
At 30 September 2013	<u>10,125</u>

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**7. TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 October 2013	803,534
Additions	13,499
Disposals	(70,516)
At 30 September 2014	<u>746,517</u>
<b>DEPRECIATION</b>	
At 1 October 2013	593,444
Charge for year	35,902
Eliminated on disposal	(68,895)
At 30 September 2014	<u>560,451</u>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<u>186,066</u>
At 30 September 2013	<u>210,090</u>

**8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 October 2013 and 30 September 2014	<u>612</u>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<u>612</u>
At 30 September 2013	<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	2014	2013
Ordinary £1	100.00	£	£
		<u>2,907</u>	<u>2,907</u>
Aggregate capital and reserves			

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**8. FIXED ASSET INVESTMENTS - continued**

**Prodorite Formula 90 Limited**

Country of incorporation: England and Wales

Nature of business: Dormant

Class of shares: %  
 Ordinary £1 holding  
 100.00

	2014	2013
	£	£
Aggregate capital and reserves	<u>2</u>	<u>2</u>

**Armourcoat Surface Finishes Inc**

Country of incorporation: United States of America

Nature of business: Manufacturing and applying hard plaster

Class of shares: %  
 Common stock no par value holding  
 100.00

	30/9/14	30/9/13
	£	£
Aggregate capital and reserves	(151,482)	7,040
(Loss)/profit for the year	<u>(158,522)</u>	<u>346,765</u>

**9. DEBTORS**

	2014	2013
	£	£
Amounts falling due within one year:		
Trade debtors	1,175,360	1,064,780
Amounts owed by group undertakings	126	126
Amounts recoverable on contract	290,019	202,865
Other debtors	200,195	212,414
	<u>1,665,700</u>	<u>1,480,185</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>67,851</u>	<u>-</u>
Aggregate amounts	<u>1,733,551</u>	<u>1,480,185</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Payments on account	36,314	12,710
Trade creditors	368,291	304,283
Amounts owed to group undertakings	2,907	2,907
Taxation and social security	115,888	76,212
Other creditors	113,007	223,240
	<u>636,407</u>	<u>619,352</u>

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**11. OPERATING LEASE COMMITMENTS**

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

	2014 £	2013 £
Expiring:		
Between one and five years	33,106	40,475
In more than five years	123,729	123,729
	<u>156,835</u>	<u>164,204</u>

**12. PROVISIONS FOR LIABILITIES**

	2014 £	2013 £
Deferred tax		
Accelerated capital allowances	<u>6,668</u>	<u>4,405</u>
		Deferred tax
		£
Balance at 1 October 2013		4,405
Charge to Profit and Loss Account during year		2,263
Balance at 30 September 2014		<u>6,668</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
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>

**14. RESERVES**

	Profit and loss account £
At 1 October 2013	2,005,483
Profit for the year	316,286
Dividends	(262,264)
At 30 September 2014	<u>2,059,505</u>

**15. PENSION COMMITMENTS**

At 30th September 2014 the company owed £5,553 (2013: £5,033) in respect of pension contributions payable to schemes of the employees.

**ARMOURCOAT LIMITED**  
**TRADING AS ARMOURCOAT SURFACE FINISHES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**16. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 September 2014 and 30 September 2013:

	2014 £	2013 £
<b>J M M MacKellar</b>		
Balance outstanding at start of year	2,543	-
Amounts advanced	-	2,543
Amounts repaid	(2,543)	-
Balance outstanding at end of year	<u>-</u>	<u>2,543</u>
<b>G Whitehead</b>		
Balance outstanding at start of year	5,823	-
Amounts advanced	-	6,000
Amounts repaid	(1,988)	(177)
Balance outstanding at end of year	<u>3,835</u>	<u>5,823</u>

Interest has been charged on the loan at a rate of 3.5% above National Westminster Bank base rate. The loan is due to be repaid by August 2016.

**17. RELATED PARTY DISCLOSURES**

During the year, total dividends of £101,324 were paid to the directors.

D M M MacKellar and J M M MacKellar are both directors and shareholders of the company. G Whitehead, D Nevitt, V O'Brien and S Tweedy are directors of the company. The amounts owed by the directors to the Company are disclosed in Note 16 to the financial statements.

J M M MacKellar has advanced the company a loan. The loan has no formal repayment date, however the lenders can give 1 months notice of repayment.

	2014 £	2013 £
Brought forward	-	250000
Advanced in the year	-	-
Repaid in the year	-	(250,000)
Carried forward	-	-
Interest paid by the company to J M M MacKellar	-	3,892

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

	2014 £	2013 £
Prodorsquash International Limited	(2,907)	(2,907)
Prodorite Formula 90 Limited	126	126
Armourcoat Surface Finishes Inc		
Short term funding	-	-
Long term funding	67,851	-
Trade debtors	363,894	321,731

The loan to Armourcoat Surface Finishes Inc is interest free.

**18. ULTIMATE CONTROLLING PARTY**

There is no single controlling party.