Financial Statements
AAMP Global Limited

For the Year Ended 31 December 2016

Registered number: 02560438

Company Information

Directors	R Freeman (resigned 9 September 2016) D Hill D M Tolson D Klatt (resigned 30 December 2016)
Registered number	02560438
Registered office	25B Woolmer Way Bordon Hampshire GU35 9QE
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 5 Benham Road Southampton Hampshire SO16 7QJ
Bankers	Lloyds Bank Plc 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

AAMP Global Limited

Contents

Strategic Report
For the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Introduction

The Company is a wholly owned subsidiary of Audax AAMP Holdings Inc.

The Company's principal activity is the design, manufacture and distribution of electrical equipment which include connectivity solutions and audio visual, communications, entertainment, and in-vehicle safety products.

Business review

The Company operates across a variety of sales channels and countries which makes it difficult to benchmark individual channels and country performance, however, the different channels in which our competition operate are kept under review, comparing the Company's financial results against those of major competitors.

The results for the period and the financial position of the Company were considered to be satisfactory by the directors.

Principal risks and uncertainties

Competitive pressure in the UK, Europe and the rest of the world is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages risk by providing added value services to its customers, continually updating and developing its range of products, having fast response times not only in supplying products but in handling all customer queries and by maintaining strong relationships with customers.

The Company makes purchases in US dollars and is therefore exposed to the movement in the Dollar to the Pound exchange rate. Where appropriate the Company takes out forward foreign exchange contracts to mitigate the effects of this risk.

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

The Company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary

Key performance indicators

The Company uses a variety of KPIs to monitor the business. These KPIs include monitoring of sales, margins, debtors, sotck and cash generation.

Financial key performance indicators

Sales have increased by 7% over the previous year, which was broadly in line with the expectations of the directors.

Gross profit margins declined by 2% points to 30% principally due to exchange rate fluctuations, caused by the Brexit vote in June 2016 and a change in sales mix.

Strategic Report
For the Year Ended 31 December 2016

Other key performance indicators

The Company is committed to providing first class customer service and has a number of targets which it measures against in order to ensure its objectives are realised.

Non-Financial KPI's includes customer satisfaction targets, stock availability targets, shipments dispatched targets and product return rates.

Development and performance

The Company continues to invest in research and development. This has resulted in the launch of new products and the improvement of existing products and product ranges during the year. The directors regard investment in research and development as necessary for continuing success of the Company and consequently envisage continued on-going evaluation and engagement in projects of a technical nature.

This report was approved by the board on 7 SEPTEMBER 17 and signed on its behalf.

D M Tolson D Tolson
Director

Directors' Report
For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,351,388 (2015 - £1,318,578).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

R Freeman (resigned 9 September 2016)
D Hill
D M Tolson
D Klatt (resigned 30 December 2016)

Directors' Report (continued)

For the Year Ended 31 December 2016

Financial risk management policies and objectives

The Company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange risk

The Company is exposed to currency exchange risk due to a significant proportion of its receivables and operating expenses being denominated in non-sterling currencies.

Liquidity risk

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

Customer credit exposure

The Company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

Future developments

The Company is committed to ongoing investment in research and development in order to remain competitive with its product offering within the markets that it operates.

Employees

The Company regularly communicates with all employees to keep them informed of the performance of the Company and all other matters affecting them.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 7 SEPTEMBER 2017 and signed on its behalf.

D Tolson

D M Tolson
Director

Grant Thornton

Independent Auditor's Report to the Members of AAMP Global Limited

We have audited the financial statements of AAMP Global Limited for the year ended 31 December 2016, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 an Auditor's report 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 Auditor

As explained more fully in the Directors' responsibilities statement on page 3, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Grant Thornton

Independent Auditor's Report to the Members of AAMP Global Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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.

Grant Thornton UK LLP

Norman Armstrong BSc FCA (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Southampton
Date: 08/09/2017

Statement of Income and Retained Earnings

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	**14,033,115**	13,103,321
Cost of sales		**(9,753,684)**	(8,851,217)
Gross profit		**4,279,431**	4,252,104
Administrative expenses		**(2,909,940)**	(2,769,807)
Operating profit		**1,369,491**	1,482,297
Interest receivable and similar income	8	**1,049**	982
Interest payable and expenses	9	**(2,805)**	(2,254)
Profit before tax		**1,367,735**	1,481,025
Tax on profit	10	**(16,347)**	(162,447)
Profit after tax		**1,351,388**	1,318,578
Retained earnings at the beginning of the year		**5,016,758**	3,698,180
		5,016,758	3,698,180
(Loss)/profit for the year		**1,351,388**	1,318,578
Retained earnings at the end of the year		**6,368,146**	5,016,758

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 27 form part of these financial statements.

AAMP Global Limited
Registered number:02560438

Balance Sheet

As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	11		**1,024,696**		1,052,337
Tangible assets	12		**118,494**		163,750
Investments	13		**91,785**		91,785
			1,234,975		1,307,872
Current assets					
Stocks	14	**3,223,028**		2,564,464	
Debtors: amounts falling due after more than one year	15	**12,124**		28,471	
Debtors: amounts falling due within one year	15	**3,756,522**		3,372,742	
Cash at bank and in hand	16	**805,584**		270,344	
		7,797,258		6,236,021	
Creditors: amounts falling due within one year	17	**(2,661,107)**		(2,524,155)	
Net current assets			**5,136,151**		3,711,866
Total assets less current liabilities			**6,371,126**		5,019,738
Net assets			**6,371,126**		5,019,738
Capital and reserves					
Called up share capital	21		**2,980**		2,980
Profit and loss account	20		**6,368,146**		5,016,758
			6,371,126		5,019,738

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 SEPTEMBER 2017

D M Tolson
Director

The notes on pages 9 to 27 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. Accounting policies

1.1 Company information and basis of preparation of financial statements

AAMP Global Limited is incorporated in the UK.

The Company's principal activity is the design, manufacture and distribution of electrical equipment which include connectivity solutions and audio visual, communications, entertainment, and in-vehicle safety products.

The financial statements are presented in Sterling (£).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AAMP Armour Group Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

1.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.4 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.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	25 years
Other intangible fixed assets	-	2 - 5 years

1.6 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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20 - 33% straight line
Motor vehicles	- 33% straight line
Fixtures and fittings	- 20 - 33% straight line

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.

1.7 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each statement of financial position date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cashflows (CGU's). Non-financial assets that have been previously impaired are reviewed at each statement of financial position date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the average cost basis. Work in progress and finished goods include labour and attributable overheads.

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.

1.11 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.

1.12 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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.13 Financial instruments

The Company only enters into basic financial instruments 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.

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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

1.14 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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.15 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 monthly HMRC 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

1.16 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

1.17 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

1.18 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of financial position 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 reporting date.

1.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life.

If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

(a) Impairment of goodwill and other intangible assets
The Company is required to test on an annual basis, whether goodwill has suffered any impairment. Other intangible assets are tested for impairment when indication of impairment exists. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary.

(b) Useful lives of intangible assets and property, plant and equipment.
Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the Statement of Income and Retained Earnings.

(c) Inventories
The Company reviews the net realisable value of and demand for inventory on a regular basis and particularly at the year-end to provide assurance that it is stated at the lower of cost and net realisable value. Factors that could impact estimated demand and selling prices include the timing and success of future technological innovations, competitor activities, supplier prices and economic trends.

(d) Debtors
The Company makes judgments as to its ability to collect outstanding receivables and provides allowances for the portion of receivables when collection becomes doubtful. Provisions are made based on a specific review of significant outstanding invoices. For those invoices not specifically reviewed, provisions are recorded at differing percentages, based on the age of the receivable. In determining these percentages, the Company analyses its historical collection experience. Since the Company cannot predict with certainty future changes in the financial stability of its customers, additional provisions for doubtful accounts may be needed and the future results of operations could be affected.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Turnover

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Sales of goods	**14,033,115**	13,103,321

Analysis of turnover by country of destination:

	2016	2015
	£	£
United Kingdom	**9,436,878**	8,594,290
Rest of Europe	**4,281,162**	4,338,420
Rest of the world	**315,075**	170,611
	14,033,115	13,103,321

4. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**85,437**	97,805
Amortisation of intangible assets, including goodwill	**112,555**	151,286
Exchange differences	**(98,905)**	(21,490)
Defined contribution pension cost	**62,287**	55,736

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**24,800**	24,275
	24,800	24,275
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	**7,850**	7,700
	7,850	7,700

Notes to the Financial Statements
For the Year Ended 31 December 2016

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,783,292	1,787,991
Social security costs	197,223	194,233
Cost of defined contribution scheme	62,287	55,736
	2,042,802	2,037,960

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Manufacturing	22	22
Selling and distribution	25	24
Administration	12	13
	59	59

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	100,000	169,075
Company contributions to defined contribution pension schemes	10,000	11,150
	110,000	180,225

During the year retirement benefits were accruing to 1 directors (2015 - 2) in respect of defined contribution pension schemes.

Notes to the Financial Statements
For the Year Ended 31 December 2016

8. Interest receivable

	2016 £	2015 £
Other interest receivable	**1,049**	982

9. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	**2,805**	2,254

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	120,688
Adjustments in respect of previous periods	**(1)**	327
	(1)	121,015
Total current tax	**(1)**	121,015
Deferred tax		
Origination and reversal of timing differences	**14,766**	34,442
Changes to tax rates	**1,582**	6,990
Total deferred tax	**16,348**	41,432
Taxation on profit on ordinary activities	**16,347**	162,447

Notes to the Financial Statements
For the Year Ended 31 December 2016

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**1,367,733**	1,481,025
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	**273,547**	299,857
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,458**	2,557
Capital allowances for year in excess of depreciation	**14,499**	14,678
Adjustments to tax charge in respect of prior periods	**(1)**	327
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(15,281)**	(6,109)
Other differences leading to an increase (decrease) in the tax charge	**(1,025)**	2,692
Group relief surrendered/(claimed)	**(257,850)**	(151,555)
Total tax charge/(credit) for the year	**16,347**	162,447

Notes to the Financial Statements
For the Year Ended 31 December 2016

11. Intangible assets

	Software £	Development £	Goodwill £	Total £
Cost				
At 1 January 2016	398,755	1,536,126	1,861,935	3,796,816
Additions	22,712	62,202	-	84,914
Disposals	-	(844,105)	-	(844,105)
At 31 December 2016	421,467	754,223	1,861,935	3,037,625
Amortisation				
At 1 January 2016	294,319	1,506,519	943,641	2,744,479
Charge for the year	29,152	10,906	72,497	112,555
On disposals	-	(844,105)	-	(844,105)
At 31 December 2016	323,471	673,320	1,016,138	2,012,929
Net book value				
At 31 December 2016	97,996	80,903	845,797	1,024,696
At 31 December 2015	104,436	29,607	918,294	1,052,337

Amortisation of intangible fixed assets is included in administrative expenses.

The remaining amortisation period of the goodwill is 12 years.

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2016	**1,282,051**	**20,335**	**524,491**	**1,826,877**
Additions	**20,218**	**1,700**	**18,265**	**40,183**
Disposals	**(47,847)**	**-**	**-**	**(47,847)**
At 31 December 2016	**1,254,422**	**22,035**	**542,756**	**1,819,213**
Depreciation				
At 1 January 2016	**1,153,556**	**16,215**	**493,356**	**1,663,127**
Charge for the period on owned assets	**71,406**	**2,262**	**11,769**	**85,437**
Disposals	**(47,845)**	**-**	**-**	**(47,845)**
At 31 December 2016	**1,177,117**	**18,477**	**505,125**	**1,700,719**
Net book value				
At 31 December 2016	**77,305**	**3,558**	**37,631**	**118,494**
At 31 December 2015	128,495	4,120	31,135	163,750

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	**91,785**
At 31 December 2016	**91,785**
Net book value	
At 31 December 2016	**91,785**
At 31 December 2015	91,785

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Notes to the Financial Statements
For the Year Ended 31 December 2016

13. Fixed asset investments (continued)

Name	Class of shares	Holding	Principal activity
Armour Nordic AB	Ordinary	100 %	Sales of goods
Armour Nordic AS	Ordinary	100 %	Sales of goods
Continental Technologies and Investments Limited	Ordinary	100 %	Dormant
Autoleads Limited	Ordinary	100 %	Dormant

14. Stocks

	2016 £	2015 £
Raw materials and consumables	**127,500**	131,900
Finished goods and goods for resale	**3,095,528**	2,432,564
	3,223,028	2,564,464

Stock recognised in cost of sales during the year as an expense was £8,475,768 (2015: £7,513,716).

An impairment gain of £9,529 (2015: £90,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Notes to the Financial Statements
For the Year Ended 31 December 2016

15. Debtors

	2016 £	2015 £
Due after more than one year		
Deferred tax asset	**12,124**	28,471

	2016 £	2015 £
Due within one year		
Trade debtors	**2,959,780**	2,760,921
Amounts owed by group undertakings	**513,871**	370,965
Other debtors	**17,133**	7,404
Prepayments and accrued income	**206,330**	233,452
Corporation tax	**59,408**	-
	3,756,522	3,372,742

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**805,584**	270,344

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**945,572**	986,276
Amounts owed to group undertakings	**969,628**	851,797
Corporation tax	**-**	591
Other creditors	**234,629**	315,714
Accruals and deferred income	**511,278**	369,776
	2,661,107	2,524,154

Notes to the Financial Statements
For the Year Ended 31 December 2016

18. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	**805,584**	270,344
Financial assets that are debt instruments measured at amortised cost	**3,490,784**	3,139,289
	4,296,368	3,409,633
Financial liabilities		
Financial liabilities measured at amortised cost	**(3,054,162)**	(2,305,573)
	(3,054,162)	(2,305,573)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

19. Deferred taxation

	2016 £	2015 £
At beginning of year	**28,471**	69,903
Charged to the profit or loss	**(16,347)**	(41,432)
At end of year	**12,124**	28,471

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	**(3,658)**	5,259
Other timing differences	**15,782**	23,212
	12,124	28,471

20. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Notes to the Financial Statements

For the Year Ended 31 December 2016

21. Share capital

	2016	2015
	£	£
Shares classified as equity		
Authorised		
5,000 Ordinary shares of £1 each shares of £1 each	**5,000**	5,000
Allotted, called up and fully paid		
2,980 Ordinary shares of £1 each shares of £1 each	**2,980**	2,980

Share capital represents the nominal value of shares that have been issued.

All shares issued are non-redeemable and rank equally in terms of voting rights (one vote per share) and rights to participate in all approved dividend distributions.

22. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	-	24,468

23. Pension commitments

The Company operates a defined contribution 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 £62,287 (2015: £55,736). Contributions totaling £1,247 (2015: £3,362) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements
For the Year Ended 31 December 2016

24. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	**2016** **£**	2015 £
Not later than 1 year	**207,500**	723,542
Later than 1 year and not later than 5 years	**303,042**	-
Total	**510,542**	723,542

Other operating leases	**2016** **£**	2015 £
Not later than 1 year	**54,017**	2,415
Later than 1 year and not later than 5 years	**37,492**	96,770
Total	**91,509**	99,185

The company charge to the income statement for operating leases was £355,759 (2015: £297,331).

25. Controlling party

The company's immediate controlling is AAMP Armour Group Limited by virtue of its 100% holding in the share capital. This represents the smallest group of undertakings for which group accounts are drawn up. The company's ultimate controlling party is Audax AAMP Holding Inc by virtue of its 100% holding in the share capital of AAMP Armour Group Limited. This represents the largest group of undertakings for which group accounts are drawn up.