

Company Registration No. SC474233 (Scotland)

ARX DEFENCE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018
PAGES FOR FILING WITH REGISTRAR

ARX DEFENCE LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 8

ARX DEFENCE LIMITED

BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		53,492		2,835
Tangible assets	4		53,505		10,168
			<u>106,997</u>		<u>13,003</u>
Current assets					
Stocks		80,022		-	
Debtors	5	36,481		28,587	
Cash at bank and in hand		17,829		96,067	
		<u>134,332</u>		<u>124,654</u>	
Creditors: amounts falling due within one year	6	<u>(150,380)</u>		<u>(82,693)</u>	
Net current (liabilities)/assets			<u>(16,048)</u>		<u>41,961</u>
Total assets less current liabilities			90,949		54,964
Creditors: amounts falling due after more than one year	7		(326,780)		(120,101)
Provisions for liabilities			<u>(10,166)</u>		<u>(1,932)</u>
Net liabilities			<u>(245,997)</u>		<u>(67,069)</u>
Capital and reserves					
Called up share capital	8		1,762		1,492
Share premium account			506,978		127,253
Profit and loss reserves			<u>(754,737)</u>		<u>(195,814)</u>
Total equity			<u>(245,997)</u>		<u>(67,069)</u>

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

For the financial year ended 30 April 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ARX DEFENCE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2018

The financial statements were approved by the board of directors and authorised for issue on 31 January 2019 and are signed on its behalf by:

Mr Joshua Hutchison
Director

Company Registration No. SC474233

ARX DEFENCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2016		1,333	24,669	(42,348)	(16,346)
Year ended 30 April 2017:					
Loss and total comprehensive income for the year		-	-	(153,466)	(153,466)
Issue of share capital	8	159	102,584	-	102,743
Balance at 30 April 2017		1,492	127,253	(195,814)	(67,069)
Year ended 30 April 2018:					
Loss and total comprehensive income for the year		-	-	(558,923)	(558,923)
Issue of share capital	8	270	379,725	-	379,995
Balance at 30 April 2018		1,762	506,978	(754,737)	(245,997)

ARX DEFENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

ARX Defence Limited is a private company limited by shares incorporated in Scotland. The registered office is 5th Floor, 125 Princes Street, Edinburgh, EH2 4AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost.

ARX DEFENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents	5 years
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% Straight line
Computer equipment	33% Straight line

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs unless the arrangement constitutes a financing transaction.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

ARX DEFENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank overdrafts are initially recognised at transaction price unless the arrangement constitutes a financing transaction

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

ARX DEFENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2017 - 5).

3 Intangible fixed assets

	Other £
Cost	
At 1 May 2017	3,544
Additions	64,207
	<u>67,751</u>
At 30 April 2018	67,751
	<u> </u>
Amortisation and impairment	
At 1 May 2017	709
Amortisation charged for the year	13,550
	<u>14,259</u>
At 30 April 2018	14,259
	<u> </u>
Carrying amount	
At 30 April 2018	53,492
	<u><u> </u></u>
At 30 April 2017	2,835
	<u><u> </u></u>

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 May 2017	18,783
Additions	55,539
	<u>74,322</u>
At 30 April 2018	74,322
	<u> </u>
Depreciation and impairment	
At 1 May 2017	8,615
Depreciation charged in the year	12,202
	<u>20,817</u>
At 30 April 2018	20,817
	<u> </u>
Carrying amount	
At 30 April 2018	53,505
	<u><u> </u></u>
At 30 April 2017	10,168
	<u><u> </u></u>

ARX DEFENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

5 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	9,107	-
Corporation tax recoverable	20,402	20,393
Other debtors	6,972	8,194
	<u>36,481</u>	<u>28,587</u>
	<u><u>36,481</u></u>	<u><u>28,587</u></u>
6 Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loans and overdrafts	-	5,329
Trade creditors	74,738	-
Taxation and social security	46,820	1,647
Other creditors	28,822	75,717
	<u>150,380</u>	<u>82,693</u>
	<u><u>150,380</u></u>	<u><u>82,693</u></u>
7 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Other creditors	326,780	120,101
	<u>326,780</u>	<u>120,101</u>
	<u><u>326,780</u></u>	<u><u>120,101</u></u>
MBM Commercial holds a floating charge over the assets of the company in respect of the Dreamlab loan as at 30 April 2018.		
8 Called up share capital	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,117 Ordinary shares of £1 each	1,117	1,117
645 Ordinary B of £1 each	645	375
	<u>1,762</u>	<u>1,492</u>
	<u><u>1,762</u></u>	<u><u>1,492</u></u>

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.