

Registered number: 07762809

CONFLICT ARMAMENT RESEARCH LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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CONFLICT ARMAMENT RESEARCH LIMITED

CONTENTS

	Page
Company Information	1
Director's Report	2 - 3
Accountants' Report	4
Statement of Comprehensive Income	5
Balance Sheet	6 - 7
Notes to the Financial Statements	8 - 13

CONFLICT ARMAMENT RESEARCH LIMITED

COMPANY INFORMATION

Director	J Bevan
Company secretary	S Rajapaksa
Registered number	07762809
Registered office	1-6 Speedy Place Bloomsbury London WC1H 8BU
Accountants	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

CONFLICT ARMAMENT RESEARCH LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

Director

The director who served during the year was:

J Bevan

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

CONFLICT ARMAMENT RESEARCH LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Principal activity

The principal activity of the Company is that of investigative research, analysis and the providing of policy advice on weapon trafficking and armed conflict.

Business review

Total turnover for the year amounted to £2,127,564 (2016 - £1,517,372) and can be analysed as follows:

Grant funded projects £1,413,872 (2016 - £1,098,082);
Consultancy projects £640,168 (2016 - £344,995);
Core consultancy £70,725 (2016 - £65,080); and
Other £2,799 (2016 - £9,215).

Small companies note

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J Béván
Director

Date: 1 December 2017

CONFLICT ARMAMENT RESEARCH LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CONFLICT ARMAMENT RESEARCH LIMITED
FOR THE YEAR ENDED 31 MARCH 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Conflict Armament Research Limited for the year ended 31 March 2017 as set out on pages 13 from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the director of Conflict Armament Research Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Conflict Armament Research Limited and state those matters that we have agreed to state to him in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Conflict Armament Research Limited and its director for our work or for this report.

It is your duty to ensure that Conflict Armament Research Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Conflict Armament Research Limited. You consider that Conflict Armament Research Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Conflict Armament Research Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Moore Stephens LLP

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB
1 December 2017

CONFLICT ARMAMENT RESEARCH LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover		713,692	74,294
Cost of sales		(436,157)	-
Gross profit		277,535	74,294
Administrative expenses		(201,542)	(1,184,196)
Other operating income		-	1,443,078
Operating profit		75,993	333,176
Tax on profit		(14,980)	(66,205)
Profit for the financial year		61,013	266,971

There was no other comprehensive income for 2017 (2016 - £Nil).

The notes on pages 8 to 13 form part of these financial statements.

CONFLICT ARMAMENT RESEARCH LIMITED
REGISTERED NUMBER: 07762809

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 (restated) £
Fixed assets			
Tangible assets	8	22,266	23,071
		<u>22,266</u>	<u>23,071</u>
Current assets			
Debtors	9	353,190	431,987
Cash at bank and in hand		99,564	191,069
		<u>452,754</u>	<u>623,056</u>
Creditors: falling due within one year	10	(269,311)	(435,685)
Net current assets		<u>183,443</u>	<u>187,371</u>
Total assets less current liabilities		<u>205,709</u>	<u>210,442</u>
Provisions for liabilities			
Deferred tax	11	(4,008)	(3,861)
		<u>(4,008)</u>	<u>(3,861)</u>
Net assets		<u>201,701</u>	<u>206,581</u>
Capital and reserves			
Share capital		1	1
Profit and loss account		201,700	206,580
		<u>201,701</u>	<u>206,581</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

CONFLICT ARMAMENT RESEARCH LIMITED
REGISTERED NUMBER: 07762809

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



J Bevan
Director

Date: 1 December 2017

The notes on pages 8 to 13 form part of these financial statements.

CONFLICT ARMAMENT RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Conflict Armament Research Limited is a private company, limited by shares, domiciled in England and Wales.

The registered office and number are as stated on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentation currency is GBP.

2.2 Financial reporting standard 102 - Section 1A disclosure exemptions

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

- the requirements of Section 6, Statement of Changes in Equity; and
- the requirements of Section 7, Statement of Cash Flows.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amounts can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Office equipment - 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CONFLICT ARMAMENT RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instrument transactions.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management do not consider there to be any material accounting estimates or judgements that need disclosure in these financial statements.

4. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	3,251	3,551
Exchange differences	6,924	-

CONFLICT ARMAMENT RESEARCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Employees

The average monthly number of employees, including directors, during the year was 7 (2016 - 6).

6. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	14,833	64,709
	<u>14,833</u>	<u>64,709</u>
Total current tax	<u>14,833</u>	<u>64,709</u>
Deferred tax		
Origination and reversal of timing differences	147	1,496
Total deferred tax	<u>147</u>	<u>1,496</u>
Taxation on profit on ordinary activities	<u>14,980</u>	<u>66,205</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20%) as set out below:

	2017 £	2016 £
Profit on ordinary activities before tax	75,993	333,176
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	15,199	66,635
Effects of:		
Deferred tax	147	1,496
Capital allowances in excess of depreciation	(366)	(1,926)
Total tax charge for the year	<u>14,980</u>	<u>66,205</u>

CONFLICT ARMAMENT RESEARCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Dividends

	2017 £	2016 £
Interim dividend paid	65,893	72,422
	<u>65,893</u>	<u>72,422</u>

8. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2016 (as previously stated)	30,018
Prior Year Adjustment	1,621
	<u>31,639</u>
At 1 April 2016 (as restated)	31,639
Additions	5,080
	<u>36,719</u>
At 31 March 2017	<u>36,719</u>
Depreciation	
At 1 April 2016	8,568
Charge for the year	5,885
	<u>14,453</u>
At 31 March 2017	<u>14,453</u>
Net book value	
At 31 March 2017	<u>22,266</u>
At 31 March 2016 (as restated)	<u>23,071</u>

CONFLICT ARMAMENT RESEARCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Debtors

	2017 £	2016 £
Trade debtors	286,223	51,955
Other debtors	13,960	189,450
Prepayments and accrued income	53,007	190,582
	<u>353,190</u>	<u>431,987</u>

10. Creditors: falling due within one year

	2017 £	2016 £
Trade creditors	80,614	12,748
Corporation tax	14,833	64,709
Other taxation and social security	17,531	10,172
Other creditors	153,333	345,295
Accruals and deferred income	3,000	2,761
	<u>269,311</u>	<u>435,685</u>

11. Deferred taxation

	2017 £
At beginning of year	(3,861)
Charged to profit or loss	(147)
At end of year	<u><u>(4,008)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(4,008)
	<u><u>(4,008)</u></u>

CONFLICT ARMAMENT RESEARCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

13. Related party transactions

J Bevan
Director

During the year dividends of £177,593 (2016 - £72,422) were paid to J Bevan.

At the balance sheet date the amount due to J Bevan was £4,869 (2016 - £1,049 due from).

14. Controlling party

The Company is controlled by the director.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

16. Prior year adjustment

During the year it was determined through discussions with HMRC that the full VAT amount should not have been claimed on certain items purchased. An adjustment has therefore been required to increase the cost of office equipment purchased last year for the VAT which should not have been claimed.

The impact of this change can be seen in note 8.