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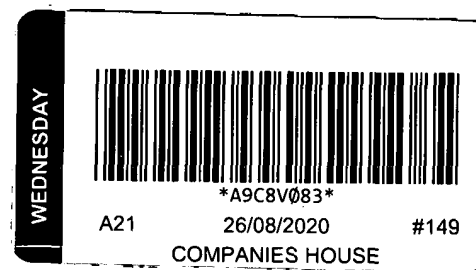
COMPANY REGISTRATION NUMBER: 01188137

A.R.M. BUILDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2019

FOURM LIMITED

Chartered Accountants & Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB



A.R.M. BUILDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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A.R.M. BUILDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Allan Proctor Paul Roy Michael McLaughlin Andrew Brittain
Company secretary	Paul Roy
Registered office	Unit 3 Rydal Estate Colton Road Rugeley Staffordshire WS15 3HF
Auditor	FourM Limited Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Bank of Scotland PLC 51 High Street Blairgowrie PH10 6DA

A.R.M. BUILDINGS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2019

Principal activities and review of business

The principal activity of A.R.M. Buildings Limited continues to be that of design, manufacture and supply of high quality agricultural buildings.

The company has continued to perform well this year making a profit before taxation of £540,915.

Principal risk and uncertainties

Market and economic risk

The majority of the company's products are destined for the UK and Irish market. As a result the company has limited exposure to exchange rates and associated risks.

Economic Factors affecting the Industry

The pig farming industry has enjoyed stable pork prices in the market place. A.R.M. Buildings Limited expects this to continue in the future. However, the exchange rate post Brexit has had an adverse effect on the cost of imported raw materials from Europe.

Funding and Liquidity Risk

The company is not affected by any funding or liquidity risks.

Financial Risk

The principal financial assets are cash balances and trade receivables. The company's customers are subject to credit checks and credit limits.

Results for the year

The company completed 45 contracts in the year (2018: 45 contracts) with sales for the year remaining largely in line with the prior year. The directors consider this to be a positive result for the company.

Development and performance of the company's business over the year

The company continued with its principal activities in the agricultural buildings industry.

The company continues to be one of the largest suppliers of pig buildings in the U.K.

Position at the year end

The company continued to perform well at the year end and the directors are confident this will continue in 2019.

The company has no third party debt and continues to have a strong balance sheet position.

At the year end the company had a strong net current assets position of £2,737,001.

Key performance indicators

The company used a number of appropriate key performance measures to monitor the performance of the business during the 12 month period to 31 December 2019.

The gross profit margin for 2019 was 21% (2018: 23%).

Future developments

The company intends to continue to focus on its principal activities in the agricultural buildings industry and does not envisage any significant changes to operations over the next 12 months.

Covid 19 and the associated lockdown has resulted in poorer sales for two months of 2020. We expect a full return to normal trading and only a small effect on our annual net results.

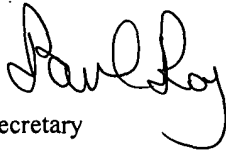
A.R.M. BUILDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

This report was approved by the board of directors on 21 July 2020 and signed on behalf of the board by:

Paul Roy
Company Secretary



Registered office:

Unit 3

Rydal Estate

Colton Road

Rugeley

Staffordshire

WS15 3HF

A.R.M. BUILDINGS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

Allan Proctor
Paul Roy
Michael McLaughlin
Andrew Brittain
Roger Smith

(Resigned 31 December 2019)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

The company, in accordance with section 414C(11) of the Companies Act 2006, has chosen to include information regarding the principal risks and uncertainties facing the company and a fair review of the company's business is included in the company's strategic report.

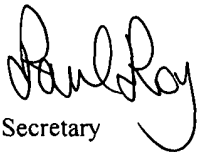
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 21 July 2020 and signed on behalf of the board by:

Paul Roy
Company Secretary



Registered office:
Unit 3
Rydal Estate
Colton Road
Rugeley
Staffordshire
WS15 3HF

A.R.M. BUILDINGS LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the strategic report, 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 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 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 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.

A.R.M. BUILDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.R.M.
BUILDINGS LIMITED

YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of A.R.M. Buildings Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

A.R.M. BUILDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.R.M.
BUILDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

Opinions 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 the 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 by exception

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A.R.M. BUILDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.R.M.
BUILDINGS LIMITED *(continued)*


YEAR ENDED 31 DECEMBER 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Karen Henderson MCIBS, BA(Hons), CA (Senior Statutory Auditor)

For and on behalf of
FourM Limited
Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

21 July 2020

A.R.M. BUILDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	7,721,595	9,289,900
Cost of sales		(6,022,402)	(7,165,725)
Gross profit		1,699,193	2,124,175
Administrative expenses		(1,232,751)	(1,301,601)
Operating profit	5	466,442	822,574
Income from associates	9	106,000	–
Other interest receivable and similar income	10	12,473	9,806
Amounts written off investments	11	(44,000)	–
Profit before taxation		540,915	832,380
Tax on profit	12	(92,887)	(157,874)
Profit for the financial year		448,028	674,506
Fair value movements on investment in associates		(107,000)	(325,000)
Total comprehensive income for the year		341,028	349,506

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

A.R.M. BUILDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	111,365	104,522
Investments	15	334,500	485,500
		<u>445,865</u>	<u>590,022</u>
Current assets			
Stocks	16	828,335	841,859
Debtors	17	2,109,125	1,573,919
Cash at bank and in hand		1,138,317	2,576,206
		<u>4,075,777</u>	<u>4,991,984</u>
Creditors: amounts falling due within one year	18	<u>1,338,776</u>	<u>1,440,168</u>
Net current assets		2,737,001	3,551,816
Total assets less current liabilities		<u>3,182,866</u>	<u>4,141,838</u>
Net assets		<u>3,182,866</u>	<u>4,141,838</u>
Capital and reserves			
Called up share capital	20	27,144	27,144
Share premium account	21	27,140	27,140
Revaluation reserve	21	33,000	140,000
Capital redemption reserve	21	50,000	50,000
Profit and loss account	21	3,045,582	3,897,554
Members funds		<u>3,182,866</u>	<u>4,141,838</u>

These financial statements were approved by the board of directors and authorised for issue on 21 July 2020, and are signed on behalf of the board by:


Michael McLaughlin
Director

Company registration number: 01188137

The notes on pages 12 to 20 form part of these financial statements.

A.R.M. BUILDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2018	27,144	27,140	465,000	50,000	3,273,048	3,842,332
Profit for the year					674,506	674,506
Other comprehensive income for the year:						
Fair value movements on investment in associates	—	—	(325,000)	—	—	(325,000)
Total comprehensive income for the year	—	—	(325,000)	—	674,506	349,506
Dividends paid and payable 13	—	—	—	—	(50,000)	(50,000)
Total investments by and distributions to owners	—	—	—	—	(50,000)	(50,000)
At 31 December 2018	27,144	27,140	140,000	50,000	3,897,554	4,141,838
Profit for the year					448,028	448,028
Other comprehensive income for the year:						
Fair value movements on investment in associates	—	—	(107,000)	—	—	(107,000)
Total comprehensive income for the year	—	—	(107,000)	—	448,028	341,028
Dividends paid and payable 13	—	—	—	—	(1,300,000)	(1,300,000)
Total investments by and distributions to owners	—	—	—	—	(1,300,000)	(1,300,000)
At 31 December 2019	<u>27,144</u>	<u>27,140</u>	<u>33,000</u>	<u>50,000</u>	<u>3,045,582</u>	<u>3,182,866</u>

The notes on pages 12 to 20 form part of these financial statements.

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 3, Rydal Estate, Colton Road, Rugeley, Staffordshire, WS15 3HF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of A. Proctor Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company.

Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover shown in the statement of comprehensive income represents the fair value of the consideration received or receivable for goods despatched during the year, net of discounts and Value Added Tax.

In respect of contracts for on-going services, turnover represents the fair value of work done, based on the stage of completion.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. Accounting policies *(continued)*

Corporation tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Motor vehicles	- 25% straight line

Investments in associates

Investments in associates are initially accounted at cost less any accumulated impairment losses, in accordance with cost model. When the associates have become commercially viable and have a trading record to support the valuations, the investments are accounted for at their current valuation, based on the most recent balance sheet.

Dividends and other distributions received from the investment are recognised as income.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Construction works	<u>7,721,595</u>	<u>9,289,900</u>

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Depreciation of tangible assets	40,235	78,014
Gains on disposal of tangible assets	(7,049)	(35,857)
Foreign exchange differences	308	280
	<u>308</u>	<u>280</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>6,600</u>	<u>6,500</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Production staff	36	43
Administrative staff	20	21
Management staff	2	2
	<u>58</u>	<u>66</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,643,691	1,850,260
Social security costs	170,079	190,567
Other pension costs	71,527	79,452
	<u>1,885,297</u>	<u>2,120,279</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	203,674	213,283
Company contributions to defined contribution pension plans	18,102	18,017
	<u>221,776</u>	<u>231,300</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

8. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	102,909	107,130
Company contributions to defined contribution pension plans	9,051	9,009
	<u>111,960</u>	<u>116,139</u>

There is no distinction between directors and key management personnel.

9. Income from associates

	2019	2018
	£	£
Income from associates	<u>106,000</u>	<u>—</u>

10. Other interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>12,473</u>	<u>9,806</u>

11. Amounts written off investments

	2019	2018
	£	£
Impairment of investments in associates	<u>44,000</u>	<u>—</u>

12. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	92,887	157,459
Deferred tax:		
Origination and reversal of timing differences	—	415
Tax on profit	<u>92,887</u>	<u>157,874</u>

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	540,915	832,380
Profit on ordinary activities by rate of tax	102,774	158,152
Effect of expenses not deductible for tax purposes	1,028	10
Effect of capital allowances and depreciation	(2,968)	4,019
Effect of revenue exempt from tax	(20,140)	–
Effect of unpaid remuneration	3,833	(4,307)
Effect of impairment in associate	8,360	–
Tax on profit	<u>92,887</u>	<u>157,874</u>

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Equity dividends on ordinary shares	<u>1,300,000</u>	<u>–</u>

Dividends proposed before the year end and recognised as a liability:

	2019 £	2018 £
Equity dividends on ordinary shares	<u>–</u>	<u>50,000</u>

14. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2019	193,879	66,180	248,937	508,996
Additions	–	6,251	41,978	48,229
Disposals	–	–	(27,810)	(27,810)
At 31 December 2019	<u>193,879</u>	<u>72,431</u>	<u>263,105</u>	<u>529,415</u>
Depreciation				
At 1 January 2019	139,592	58,324	206,558	404,474
Charge for the year	13,595	3,442	23,198	40,235
Disposals	–	–	(26,659)	(26,659)
At 31 December 2019	<u>153,187</u>	<u>61,766</u>	<u>203,097</u>	<u>418,050</u>
Carrying amount				
At 31 December 2019	<u>40,692</u>	<u>10,665</u>	<u>60,008</u>	<u>111,365</u>
At 31 December 2018	<u>54,287</u>	<u>7,856</u>	<u>42,379</u>	<u>104,522</u>

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

15. Investments

	Shares in participating interests £	Loans to participating interests £	Total £
Cost or Revaluation			
At 1 January 2019	204,000	281,500	485,500
Revaluations	(107,000)	–	(107,000)
At 31 December 2019	<u>97,000</u>	<u>281,500</u>	<u>378,500</u>
Impairment			
At 1 January 2019	–	–	–
Impairment losses	44,000	–	44,000
At 31 December 2019	<u>44,000</u>	<u>–</u>	<u>44,000</u>
Carrying amount			
At 31 December 2019	<u>53,000</u>	<u>281,500</u>	<u>334,500</u>
At 31 December 2018	<u>204,000</u>	<u>281,500</u>	<u>485,500</u>

Investments held at valuation

Included in the carrying value above, are revalued investments held at a value of £53,000.

In respect of investments held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Shares in participating interests £
At 31 December 2019	
Aggregate cost	64,000
Aggregate depreciation	–
Carrying value	<u>64,000</u>
At 31 December 2018	
Aggregate cost	64,000
Aggregate depreciation	–
Carrying value	<u>64,000</u>

Investments in associates and joint ventures

The company owns 40% of the issued ordinary share capital of Envitec Biogas UK Limited, Envitec Biogas Service UK limited and indirectly ET Biogas Ventures Limited. Each company is registered in England.

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

16. Stocks

	2019	2018
	£	£
Raw materials and consumables	641,920	660,402
Work in progress	186,415	181,457
	<u>828,335</u>	<u>841,859</u>

17. Debtors

	2019	2018
	£	£
Trade debtors	2,037,431	1,470,057
Amounts owed by group undertakings	–	40,267
Prepayments and accrued income	53,069	46,025
Other debtors	18,625	17,570
	<u>2,109,125</u>	<u>1,573,919</u>

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	818,146	648,296
Amounts owed to group undertakings	4,469	145,487
Accruals and deferred income	49,252	56,555
Corporation tax	92,887	157,459
Social security and other taxes	318,169	315,450
Other creditors	55,853	116,921
	<u>1,338,776</u>	<u>1,440,168</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £71,527 (2018: £79,452).

20. Called up share capital

Issued, called up and fully paid

	2019		2018
	No.	£	No.
	£		£
Ordinary shares of £1 each	<u>27,144</u>	<u>27,144</u>	<u>27,144</u>

A.R.M. BUILDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
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21. Reserves

Share premium account:

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Revaluation reserve:

This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve:

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account:

This reserve records retained earnings and accumulated losses.

22. Contingencies

A cross corporate letter of guarantee, incorporating offset provisions, covering all accounts within the A. Proctor Group Limited group has been provided to the company's bank.

23. Related party transactions

The company was under the control of the company directors throughout the current and previous year.

The company has taken advantage of the provision under section 33.1A of the Financial Reporting Standards 102 (FRS102) not to disclose transactions within a group.

24. Controlling party

The immediate and ultimate parent company is A. Proctor Group Limited, a company registered in Scotland.

The financial statements of A. Proctor Group Limited are available from Companies House, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.