

Company registration number: 01024800

**Altron Communications Equipment Limited**

**Directors report and financial statements**

**30 June 2017**

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## **Altron Communications Equipment Limited**

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## **Altron Communications Equipment Limited**

### **Directors and other information**

<b>Directors</b>	Mr S Jones Mr E Barraclough
<b>Secretary</b>	S Jones
<b>Company number</b>	01024800
<b>Registered office</b>	Tower House Parc Hendre Ammanford Carmarthenshire SA18 3SJ
<b>Business address</b>	Tower House Parc Hendre Ammanford Carmarthenshire SA18 3SJ
<b>Auditor</b>	Rimmer & May 19 Murray Street Llanelli Carmarthenshire SA15 1AQ
<b>Bankers</b>	Barclays Bank Llanelli

## **Altron Communications Equipment Limited**

### **Strategic report Year ended 30 June 2017**

#### **Review of the business**

The principal activity of the company is the design, manufacture and supply of CCTV towers, columns and brackets. Other significant activities are laser cutting and sheet metal fabrication.

The year saw a decrease in trading compared to the previous period, in the main caused by the general downturn in the UK economy. This started to improve in early 2017/18. The results for the year as set out on page 8, show a profit on ordinary activities before tax of £12,868 (2016: £398,817). The shareholders' funds of the company total £4,592,282 (2016: £4,582,063).

#### **Principal risks and uncertainties**

The principal risks of the business include the following :-

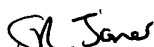
With the exception of the financial risk as described in the directors report on pages 3-4, the only other risk of concern to the company is a general risk of a downturn in the economy of the United Kingdom and that of the countries of the customers it trades with. Material price fluctuations are a big risk.

#### **Financial key performance indicators**

The company's main key performance indicators are as follows :-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Gross profit	2,194,705	2,711,259
Profit before tax	12,868	398,817
Reserves	4,392,282	4,382,063

This report was approved by the board of directors on 16 March 2018 and signed on behalf of the board by:



S Jones  
Secretary

## **Altron Communications Equipment Limited**

### **Directors report Year ended 30 June 2017**

The directors present their report and the financial statements of the company for the year ended 30 June 2017.

#### **Directors**

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

Mr S Jones

Mr E Barraclough

#### **Dividends**

Particulars of paid dividends are detailed in note 12 to the financial statements.

#### **Future developments**

The company continues to ensure it is well placed to benefit from future opportunities as they arise

#### **Financial instruments**

The company's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, invoice discounting, finance lease and hire purchase agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure risk. The company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a substantial amount of liquid funds to meet foreseeable payments as they fall due without recourse to borrowing for working capital.

Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **Research and development**

The company continues to invest in research and development to ensure it remains competitive and develops the most relevant products to ensure future success.

## **Altron Communications Equipment Limited**

### **Directors report (continued) Year ended 30 June 2017**

#### **Directors responsibilities statement**

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; and
- 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.

#### **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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 16 March 2018 and signed on behalf of the board by:



S Jones  
Secretary

## **Altron Communications Equipment Limited**

### **Independent auditor's report to the members of Altron Communications Equipment Limited Year ended 30 June 2017**

#### **Opinion**

We have audited the financial statements of Altron Communications Equipment Limited for the year ended 30 June 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, 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).

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 auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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.

#### **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.

**Altron Communications Equipment Limited**

**Independent auditor's report to the members of  
Altron Communications Equipment Limited  
Year ended 30 June 2017**

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.

**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 has 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 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 the 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:

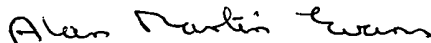


**Altron Communications Equipment Limited**

**Independent auditor's report to the members of  
Altron Communications Equipment Limited  
Year ended 30 June 2017**

- 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.
- 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.



Alan Martin Evans (Senior Statutory Auditor)

For and on behalf of  
Rimmer & May  
Chartered Accountants and Statutory Auditors  
19 Murray Street  
Llanelli  
Carmarthenshire  
SA15 1AQ

26TH MARCH 2018

**Altron Communications Equipment Limited**

**Statement of comprehensive income  
Year ended 30 June 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Turnover</b>	<b>4</b>	6,077,377	6,732,364
Cost of sales		(3,882,672)	(4,021,105)
<b>Gross profit</b>		<u>2,194,705</u>	<u>2,711,259</u>
Administrative expenses		(2,170,887)	(2,303,862)
<b>Operating profit</b>	<b>5</b>	<u>23,818</u>	<u>407,397</u>
Other interest receivable and similar income	<b>9</b>	9,038	10,179
Interest payable and similar expenses	<b>10</b>	(19,988)	(18,759)
<b>Profit before taxation</b>		<u>12,868</u>	<u>398,817</u>
Tax on profit	<b>11</b>	<u>17,114</u>	<u>(54,230)</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><u>29,982</u></u>	<u><u>344,587</u></u>

All the activities of the company are from continuing operations.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 13 to 23 form part of these financial statements.**

**Altron Communications Equipment Limited**

**Statement of financial position  
30 June 2017**

	<b>Note</b>	<b>2017</b> <b>£</b>	<b>£</b>	<b>2016</b> <b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>13</b>	<u>1,826,975</u>		<u>1,752,511</u>	
			1,826,975		1,752,511
<b>Current assets</b>					
Stocks	<b>14</b>	1,011,118		966,522	
Debtors	<b>15</b>	1,377,826		1,254,897	
Cash at bank and in hand		<u>1,238,829</u>		<u>1,579,154</u>	
		3,627,773		3,800,573	
<b>Creditors: amounts falling due within one year</b>	<b>16</b>	<u>(707,092)</u>		<u>(851,384)</u>	
<b>Net current assets</b>			2,920,681		2,949,189
<b>Total assets less current liabilities</b>			4,747,656		4,701,700
<b>Provisions for liabilities</b>	<b>17</b>		(52,880)		(19,594)
<b>Accruals and deferred income</b>			(102,494)		(100,043)
<b>Net assets</b>			<u>4,592,282</u>		<u>4,582,063</u>
<b>Capital and reserves</b>					
Called up share capital	<b>20</b>		200,000		200,000
Profit and loss account			<u>4,392,282</u>		<u>4,382,063</u>
<b>Shareholders funds</b>			<u>4,592,282</u>		<u>4,582,063</u>

The notes on pages 13 to 23 form part of these financial statements.

**Altron Communications Equipment Limited**

**Statement of financial position (continued)**  
**30 June 2017**

These financial statements were approved by the board of directors and authorised for issue on 16 March 2018, and are signed on behalf of the board by:



Mr E Barraclough  
Director

Company registration number: 01024800

**The notes on pages 13 to 23 form part of these financial statements.**

**Altron Communications Equipment Limited**

**Statement of changes in equity  
Year ended 30 June 2017**

	Called up share capital	Profit and loss account	<b>Total</b>
	£	£	£
<b>At 1 July 2015</b>	200,000	4,283,713	4,483,713
Profit for the year		344,587	344,587
<b>Total comprehensive income for the year</b>	-	344,587	344,587
Dividends paid and payable		(246,237)	(246,237)
<b>Total investments by and distributions to owners</b>	-	(246,237)	(246,237)
<b>At 30 June 2016 and 1 July 2016</b>	200,000	4,382,062	4,582,062
Profit for the year		29,982	29,982
<b>Total comprehensive income for the year</b>	-	29,982	29,982
Dividends paid and payable		(19,762)	(19,762)
<b>Total investments by and distributions to owners</b>	-	(19,762)	(19,762)
<b>At 30 June 2017</b>	200,000	4,392,282	4,592,282

**Altron Communications Equipment Limited**

**Statement of cash flows  
Year ended 30 June 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	29,982	344,587
<i>Adjustments for:</i>		
Depreciation of tangible assets	143,658	230,299
Other interest receivable and similar income	(9,038)	(10,179)
Interest payable and similar expenses	19,988	18,759
Gain/(loss) on disposal of tangible assets	(6)	9,462
Tax on profit on ordinary activities	(17,114)	54,230
Accrued expenses/(income)	2,451	(18,897)
<i>Changes in:</i>		
Stocks	(44,596)	22,416
Trade and other debtors	(97,350)	103,538
Trade and other creditors	(82,798)	(153,300)
Cash generated from operations	(54,823)	600,915
Interest paid	(19,988)	(18,759)
Interest received	9,038	10,179
Tax paid	(36,675)	(87,892)
Net cash (used in)/from operating activities	<u>(102,448)</u>	<u>504,443</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(264,065)	(128,713)
Proceeds from sale of tangible assets	45,950	32,250
Net cash used in investing activities	<u>(218,115)</u>	<u>(96,463)</u>
<b>Cash flows from financing activities</b>		
Equity dividends paid	(19,762)	(246,237)
Net cash used in financing activities	<u>(19,762)</u>	<u>(246,237)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(340,325)</u>	<u>161,743</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>1,579,154</u>	<u>1,417,411</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>1,238,829</u></u>	<u><u>1,579,154</u></u>

## **Altron Communications Equipment Limited**

### **Notes to the financial statements Year ended 30 June 2017**

#### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Tower House, Parc Hendre, Ammanford, Carmarthenshire, SA18 3SJ.

#### **2. Statement of compliance**

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

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

In the process of applying the company's accounting policies, which are described below, management has made some judgments that have an effect on the amounts recognised in the financial statements. There are also key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date. These main areas are in relation to stock, debtor provisions and the useful economic lives of the company's fixed assets, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

##### **Taxation**

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

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.

## **Altron Communications Equipment Limited**

### **Notes to the financial statements (continued)** **Year ended 30 June 2017**

#### **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 profit or loss.

#### **Research and development**

Research expenditure is written off in the year in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
  - There is the intention to complete the intangible asset and use or sell it;
  - There is the ability to use or sell the intangible asset;
  - The use or sale of the intangible asset will generate probable future economic benefits;
  - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
  - The expenditure attributable to the intangible asset during its development can be measured reliably.
- Expenditure that does not meet the above criteria is expensed as incurred.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and is subsequently stated at cost less any 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss during the period in which they are incurred.

#### **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:

Freehold property	- 2%	straight line
Plant and machinery	- 12.5 and 20%	straight line
Fittings fixtures and equipment	- 12.5 and 20%	straight line
Motor vehicles	- 25%	reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.



## **Altron Communications Equipment Limited**

### **Notes to the financial statements (continued)**

**Year ended 30 June 2017**

#### **Impairment**

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.

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 are largely independent of the cash inflows from other assets or groups of assets.

#### **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 stocks to their present location and condition on a first in, first out basis.

#### **Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the performance model.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

## **Altron Communications Equipment Limited**

### **Notes to the financial statements (continued)** **Year ended 30 June 2017**

#### **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 accounts receivable and payable, 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 payables or receivables, 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.

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 income statement.

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 the estimated cash flows discounted at the asset's 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 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 sold at the balance sheet date.

#### **Defined contribution plans**

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 separate pension funds. Once the contributions have been paid the company has no further payment obligations.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **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.

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2017**

**4. Turnover**

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
UK	4,994,832	5,702,758
Europe	256,268	350,920
Rest of the World	826,277	678,686
	<u>6,077,377</u>	<u>6,732,364</u>

**5. Operating profit on ordinary activities**

Operating profit on ordinary activities is stated after charging/(crediting):

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	143,658	230,299
(Gain)/loss on disposal of tangible assets	(6)	9,462
Foreign exchange differences	(395)	90
Fees payable for the audit of the financial statements	12,600	12,800
Defined contribution plans expense	<u>40,897</u>	<u>38,621</u>

**6. Auditors remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to Rimmer &amp; May</b>		
Fees payable for the audit of the financial statements	<u>12,600</u>	<u>12,800</u>

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2017**

**7. Staff costs**

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

	<b>2017</b>	<b>2016</b>
Production staff	61	65
Marketing & distribution staff	20	20
Administrative staff	13	15
	<u>94</u>	<u>100</u>

The aggregate payroll costs incurred during the year were:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,117,616	2,178,337
Social security costs	215,148	225,401
Other pension costs	40,897	38,621
	<u>2,373,661</u>	<u>2,442,359</u>

**8. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration	216,554	228,331
Company contributions to pension schemes in respect of qualifying services	18,101	15,119
	<u>234,655</u>	<u>243,450</u>

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Defined contribution plans	<u>2</u>	<u>2</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	111,776	115,007
Company contributions to pension plans in respect of qualifying services	15,501	2,400
	<u>127,277</u>	<u>117,407</u>

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**

**Year ended 30 June 2017**

**9. Other interest receivable and similar income**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Bank deposits	<u>9,038</u>	<u>10,179</u>

**10. Interest payable and similar expenses**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	19,988	18,754
Other loans made to the company:		
Finance leases and hire purchase contracts	-	5
	<u>19,988</u>	<u>18,759</u>

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2017**

**11. Tax on profit on ordinary activities**

**Major components of tax income/expense**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax income/expense	(50,400)	72,927
Adjustments in respect of previous periods	-	(4,914)
Total UK current tax	<u>(50,400)</u>	<u>68,013</u>
Total current tax	<u>(50,400)</u>	<u>68,013</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	36,069	(13,783)
Impact of change in tax rate	(2,783)	-
Total deferred tax	<u>33,286</u>	<u>(13,783)</u>
<b>Tax on profit on ordinary activities</b>	<u><u>(17,114)</u></u>	<u><u>54,230</u></u>

**Reconciliation of tax income/expense**

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%).

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>12,868</u>	<u>398,817</u>
Profit multiplied by rate of tax	2,574	79,763
Adjustments in respect of prior periods	-	(4,914)
Effect of expenses not deductible for tax purposes	465	2,081
Effect of capital allowances and depreciation	(29,927)	14,954
Enhanced Research and Development relief	(21,071)	(23,871)
Patent box claim	(2,441)	-
Tax on profit on ordinary activities	<u><u>(50,400)</u></u>	<u><u>68,013</u></u>

**Factors affecting future tax expense**

There were no factors that may affect future tax charges.

**12. Dividends**

**Equity dividends**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>19,762</u>	<u>246,237</u>

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2017**

**13. Tangible assets**

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2016	1,778,536	1,686,991	232,060	622,826	4,320,413
Additions	12,510	107,149	16,032	128,374	264,065
Disposals	-	-	(51,893)	(91,710)	(143,603)
<b>At 30 June 2017</b>	<u>1,791,046</u>	<u>1,794,140</u>	<u>196,199</u>	<u>659,490</u>	<u>4,440,875</u>
<b>Depreciation</b>					
At 1 July 2016	424,662	1,608,931	162,837	371,471	2,567,901
Charge for the year	30,707	25,382	20,015	67,554	143,658
Disposals	-	-	(51,893)	(45,766)	(97,659)
<b>At 30 June 2017</b>	<u>455,369</u>	<u>1,634,313</u>	<u>130,959</u>	<u>393,259</u>	<u>2,613,900</u>
<b>Carrying amount</b>					
<b>At 30 June 2017</b>	<u>1,335,677</u>	<u>159,827</u>	<u>65,240</u>	<u>266,231</u>	<u>1,826,975</u>
At 30 June 2016	<u>1,353,874</u>	<u>78,060</u>	<u>69,223</u>	<u>251,355</u>	<u>1,752,512</u>

**14. Stocks**

	2017	2016
	£	£
Raw materials and consumables	379,093	319,360
Finished goods and goods for resale	632,025	647,162
	<u>1,011,118</u>	<u>966,522</u>

**15. Debtors**

	2017	2016
	£	£
Trade debtors	1,122,795	1,100,255
Prepayments and accrued income	118,748	140,021
Other debtors	136,283	14,621
	<u>1,377,826</u>	<u>1,254,897</u>

**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2017**

**16. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	542,754	602,126
Corporation tax	514	62,008
Social security and other taxes	158,343	180,188
Other creditors	5,481	7,062
	<u>707,092</u>	<u>851,384</u>

**17. Provisions**

	<b>Deferred tax (note 18)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 July 2016	19,594	19,594
Additions	33,286	33,286
<b>At 30 June 2017</b>	<u>52,880</u>	<u>52,880</u>

**18. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Included in provisions (note 17)	<u>52,880</u>	<u>19,594</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	55,663	19,594
Change in tax rate	(2,783)	-
	<u>52,880</u>	<u>19,594</u>

**19. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £40,897 (2016: £38,621).



**Altron Communications Equipment Limited**

**Notes to the financial statements (continued)**

**Year ended 30 June 2017**

**20. Called up share capital**  
**Issued, called up and fully paid**

	2017		2016	
	No	£	No	£
Ordinary shares of £ 1.00 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

**21. Directors advances, credits and guarantees**

At the year end, £75,000 (2016 - £Nil) due from Mr E Barraclough was interest free and has been repaid in full subsequent to the balance sheet date.

**22. Related party transactions**

During the year the company voted to pay dividends totalling £19,762 to its holding company, Altron Manufacturing and Engineering Limited.

**23. Controlling party**

The parent company is Altron Manufacturing and Engineering Limited, a company incorporated in the United Kingdom, which owns 100% of the Issued Share Capital of the company. The directors consider that the ultimate controlling party is Mr E Barraclough ( a director of Altron Manufacturing and Engineering Limited and a director of Altron Communications Equipment Limited) by virtue of holding the majority of the shares in the parent company.