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**ATLANTIC MICROWAVE LIMITED**

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**UNAUDITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 7 JANUARY 2019**



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## ATLANTIC MICROWAVE LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	E Bayar (appointed 8 January 2019) I G Hilditch (appointed 8 January 2019) P C Stephens (appointed 8 January 2019)
<b>Company secretary</b>	Mr P C Stephens
<b>Registered number</b>	02412885
<b>Registered office</b>	Coldwell Radio Station Kingstone Hereford United Kingdom HR2 9NE

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**ATLANTIC MICROWAVE LIMITED**

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**ATLANTIC MICROWAVE LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 7 JANUARY 2019**

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The directors present their report and the financial statements for the period beginning 1 January 2018 and ended 7 January 2019. The comparative information reflects a 12 month period.

**Principal activity**

The principal activity of the company during the period was that of wholesale of electronic and telecommunications equipment and parts.

**Director**

The director who served during the period was:

G F Burling (resigned 8 January 2019)

**Post balance sheet events**

On 8 January 2019 the company was purchased by ETL Systems Limited who now owns the entire share capital of the company.

**Small companies note**

In preparing this report, the directors 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.



**I G Hilditch**  
Director

Date: 8 October 2019

ATLANTIC MICROWAVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 7 JANUARY 2019

	Note	2019 £	2017 £
Turnover		2,427,176	2,254,066
Cost of sales		(1,253,276)	(1,160,399)
<b>Gross profit</b>		<b>1,173,900</b>	<b>1,093,667</b>
Administrative expenses		(920,789)	(921,930)
<b>Operating profit</b>		<b>253,111</b>	<b>171,737</b>
Interest receivable and similar income		1,068	1,416
Interest payable and expenses		(3,740)	5
<b>Profit before tax</b>		<b>250,439</b>	<b>173,158</b>
Tax on profit		(24,765)	(4,841)
<b>Profit and total comprehensive income for the financial period</b>		<b>225,674</b>	<b>168,317</b>

The notes on pages 5 to 12 form part of these financial statements.

**ATLANTIC MICROWAVE LIMITED**  
**REGISTERED NUMBER: 02412885**

**BALANCE SHEET**  
**AS AT 7 JANUARY 2019**

	Note	7 January 2019 £	31 December 2017 £
<b>Fixed assets</b>			
Intangible assets	4	185,517	151,563
Tangible assets	5	69,296	83,550
		<u>254,813</u>	<u>235,113</u>
<b>Current assets</b>			
Stocks		306,564	476,913
Debtors: amounts falling due within one year	6	111,913	310,099
Cash at bank and in hand		654,908	201,013
		<u>1,073,385</u>	<u>988,025</u>
Creditors: amounts falling due within one year	7	(164,742)	(282,672)
<b>Net current assets</b>		<u>908,643</u>	<u>705,353</u>
<b>Total assets less current liabilities</b>		<u>1,163,456</u>	<u>940,466</u>
<b>Provisions for liabilities</b>			
Deferred tax		(42,484)	(43,168)
		<u>(42,484)</u>	<u>(43,168)</u>
<b>Net assets</b>		<u><u>1,120,972</u></u>	<u><u>897,298</u></u>
<b>Capital and reserves</b>			
Called up share capital		85,000	85,000
Profit and loss account		1,035,972	812,298
		<u><u>1,120,972</u></u>	<u><u>897,298</u></u>

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**ATLANTIC MICROWAVE LIMITED**  
**REGISTERED NUMBER: 02412885**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 7 JANUARY 2019**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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.

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



**I G Hilditch**  
Director

Date: 8 October 2019

The notes on pages 5 to 12 form part of these financial statements.

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## ATLANTIC MICROWAVE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

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#### 1. General information

Atlantic Microwave Limited is a private limited company, limited by shares, incorporated in England and Wales. The registered office is Coldwell Radio Station, Kingstone, Hereford, United Kingdom, HR2 9NE

#### 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 following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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



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## ATLANTIC MICROWAVE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### 2.5 Product Development Expenditure

Expenditure on major new product is capitalised due to the nature of the venture, where the outcome of each project is assessed to be reasonably certain as regards technical feasibility and commercial viability. Such expenditure is amortised evenly over four years, commencing in the year after the expenditure was first incurred.

##### 2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### 2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.8 Pension Costs and other post-retirement benefits

The company operates various defined contributions pension arrangements and the premiums payable for the period are charged in the profit and loss account.

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## ATLANTIC MICROWAVE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 2.9 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

##### 2.10 Intangible assets

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

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

##### 2.11 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.

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## ATLANTIC MICROWAVE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance
Fixtures and fittings	-	15% on reducing balance
Computer equipment	-	25% 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 the Statement of Comprehensive Income.

##### 2.12 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

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## ATLANTIC MICROWAVE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 2.15 Financial instruments (continued)

are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the 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 Statement of Comprehensive Income.

##### 2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Employees

The average monthly number of employees, including directors, during the period was 16 (2017 - 16).

ATLANTIC MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 7 JANUARY 2019

4. Intangible assets

	Patents £	Development expenditure £	Goodwill £	Total £
<b>Cost</b>				
At 1 January 2018	3,878	276,220	3,950	284,048
Additions	650	78,102	-	78,752
At 7 January 2019	4,528	354,322	3,950	362,800
<b>Amortisation</b>				
At 1 January 2018	1,244	127,291	3,950	132,485
Charge for the year	639	44,159	-	44,798
At 7 January 2019	1,883	171,450	3,950	177,283
<b>Net book value</b>				
At 7 January 2019	2,645	182,872	-	185,517
At 31 December 2017	2,634	148,929	-	151,563

**ATLANTIC MICROWAVE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 7 JANUARY 2019**

**5. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	254,984	9,445	90,523	91,587	446,539
Additions	-	-	3,948	5,103	9,051
Disposals	(38,685)	(9,445)	(6,563)	(25,196)	(79,889)
At 7 January 2019	216,299	-	87,908	71,494	375,701
<b>Depreciation</b>					
At 1 January 2018	209,729	9,062	68,494	75,704	362,989
Charge for the period on owned assets	6,490	-	3,913	6,906	17,309
Disposals	(35,640)	(9,062)	(5,683)	(23,508)	(73,893)
At 7 January 2019	180,579	-	66,724	59,102	306,405
<b>Net book value</b>					
At 7 January 2019	35,720	-	21,184	12,392	69,296
At 31 December 2017	45,255	383	22,029	15,883	83,550

**6. Debtors**

	7 January 2019 £	31 December 2017 £
Trade debtors	60,868	217,559
Other debtors	2,295	-
Prepayments and accrued income	48,750	92,540
	<u>111,913</u>	<u>310,099</u>

# ATLANTIC MICROWAVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 7 JANUARY 2019

### 7. Creditors: Amounts falling due within one year

	7 January 2019 £	31 December 2017 £
Trade creditors	89,018	96,586
Corporation tax	55,701	51,688
Accruals and deferred income	20,023	134,398
	<u>164,742</u>	<u>282,672</u>

### 8. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,165 (2017 - £7,832). There were no outstanding pension contributions as at the year-end.

### 9. Commitments under operating leases

At 7 January 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	7 January 2019 £	31 December 2017 £
Not later than 1 year	26,245	26,245
Later than 1 year and not later than 5 years	41,840	68,265
	<u>68,085</u>	<u>94,510</u>

### 10. Controlling party

During the year the company was controlled by the director. On 8 January 2019 the entire share capital of the company was purchased by ETL Systems Limited who are now the controlling party.