

Company Registration No. 03113846 (England and Wales)

**MAS ZENGRANGE LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2020**  
**PAGES FOR FILING WITH REGISTRAR**



# MAS ZENGRANGE LTD

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# MAS ZENGRANGE LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2020**

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The directors present the strategic report for the year ended 30 April 2020.

### Fair review of the business

The Company's key financial and other performance indicators during the year were as follows:

	2020	2019
	£	£
Turnover	3,312,873	963,396
Operating profit	11,495	7,047
Profit/(Loss) after tax	3,214	(1,706)
Shareholders' funds	231,271	228,057
Average number of employees	2	2

The Company's strategy over the last few years has been in laying the foundation for long-term sustainable growth through development of industry leading software and hardware for military applications. Company made an operating profit for the year of £3,214.

### Markets

The Company's customers are primarily state defence authorities and companies in the military applications sector.

### Future developments

The directors aim to continue with the management policies which have resulted in the company's steady growth in recent years. They consider that 2020/2021 will show a further steady growth in sales.

While we remain cautious about the current economic climate, we hope to demonstrate the strength of our business model with the continued support of our employees and successful relationships with our suppliers and customers.

### Principal risks and uncertainties

#### Business Risk

The Company is reliant on defence spending and with the companies in the military applications sector being the primary customers, any reduction in budgets of those customers could have an impact on the Company's results.

#### Currency Risk

The nature of the Company's business exposes it to currency risk. The company buys in New Zealand dollars and manages the risk by allowing for the movements in currency in its mark up and margins.

As the supply line is generally short the risk attributed to currency fluctuation is therefore limited and well covered in the built in margins. Where the supply line is long the company would generally cover for the fluctuation in the currency in its contract and thus mitigate its exposure.

# MAS ZENGRANGE LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **Going concern (COVID-19)**

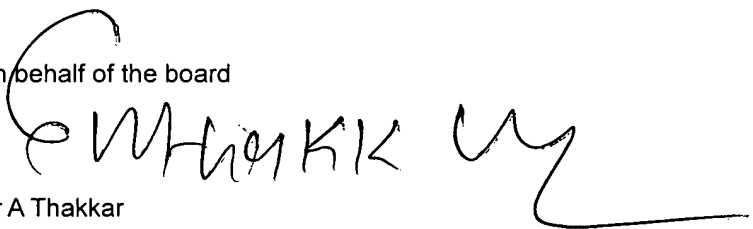
Towards the end of financial year, the company was significantly impacted by the COVID-19 pandemic as the government had issued guidelines that required all the social gatherings to be banned and non essential businesses to be closed from March 2020. The company complied with these rules but through maintaining social distancing and prudent measures ensuring the health and safety of its personnel and customers were able to operate throughout the period.

The directors' undertook an assessment of the ability of the company to continue in operation and meet its liabilities as they fall due over the 12 months. In doing so, the directors' considered events throughout the period of their assessment, including the confirmed existing orders and upcoming contracts. They have also mitigated the risks as much as possible making use of existing finance facilities from the company's current banking partners.

The directors' have prepared cash flow forecasts for the 12 months period including a severe but plausible downside scenario reflecting a possible disruption to operations as result of COVID-19 using historic interruptions in operating as a basis. Under all scenarios considered, the company was able to operate with existing borrowing facilities and financial liabilities.

Directors' are confident, based on the circumstances outlined above, that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

On behalf of the board



Mr A Thakkar

**Director**

29 January 2021

# MAS ZENGRANGE LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020

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	2020 £	2019 £
Profit/(loss) for the year	3,214	(1,706)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,214</u>	<u>(1,706)</u>

# MAS ZENGRANGE LTD

## BALANCE SHEET

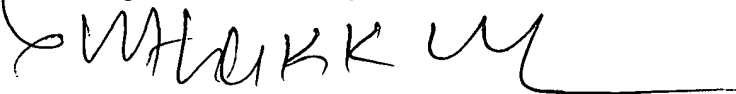
AS AT 30 APRIL 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		13,122		23,436
Investments	7		1,000		1,000
			<u>14,122</u>		<u>24,436</u>
<b>Current assets</b>					
Stocks	9	-		877,503	
Debtors	10	6,555,426		6,581,268	
Cash at bank and in hand		1,241,091		27,132	
		<u>7,796,517</u>		<u>7,485,903</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(7,579,368)</u>		<u>(7,278,459)</u>	
<b>Net current assets</b>			<u>217,149</u>		<u>207,444</u>
<b>Total assets less current liabilities</b>			<u>231,271</u>		<u>231,880</u>
<b>Creditors: amounts falling due after more than one year</b>	12		-		(3,823)
<b>Net assets</b>			<u><u>231,271</u></u>		<u><u>228,057</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss reserves			231,171		227,957
<b>Total equity</b>			<u><u>231,271</u></u>		<u><u>228,057</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 29 January 2021 and are signed on its behalf by:



Mr A Thakkar  
Director

Company Registration No. 03113846

# MAS ZENGRANGE LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2020

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	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2018	100	229,663	229,763
<b>Year ended 30 April 2019:</b>			
Loss and total comprehensive income for the year	-	(1,706)	(1,706)
Balance at 30 April 2019	100	227,957	228,057
<b>Year ended 30 April 2020:</b>			
Profit and total comprehensive income for the year	-	3,214	3,214
Balance at 30 April 2020	100	231,171	231,271

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# MAS ZENGRANGE LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

Notes	2020		2019	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Cash generated from operations		1,558,182		82,513
Interest paid		(5,425)		(7,019)
Income taxes paid		(5,232)		(1)
		<u>1,547,525</u>		<u>75,493</u>
<b>Investing activities</b>				
Interest received		-		4
		<u>-</u>		<u>4</u>
<b>Net cash (used in)/generated from investing activities</b>				
		-		4
<b>Financing activities</b>				
Payment of finance leases obligations		(8,311)		(8,311)
		<u>(8,311)</u>		<u>(8,311)</u>
<b>Net cash used in financing activities</b>				
		(8,311)		(8,311)
<b>Net increase in cash and cash equivalents</b>				
		1,539,214		67,186
Cash and cash equivalents at beginning of year		(298,123)		(365,309)
		<u>1,241,091</u>		<u>(298,123)</u>
<b>Cash and cash equivalents at end of year</b>				
		<u>1,241,091</u>		<u>(298,123)</u>
<b>Relating to:</b>				
Cash at bank and in hand		1,241,091		27,132
Bank overdrafts included in creditors payable within one year		-		(325,255)
		<u>1,241,091</u>		<u>(325,255)</u>

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

#### Company information

MAS Zengrange Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit A3, Merlin Centre, Acrewood Way, St Albans, Herts, AL4 0JY.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover represents the amount (excluding value added tax) derived from the provision of goods and services to customers during the year. Revenue is recognised when the company becomes entitled to it - usually on the rendering of an invoice.

#### 1.4 Tangible fixed assets

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

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

Fixtures, fittings & equipment	10% on reducing balance
Computer equipment	25% on straight line basis
Motor vehicles	25% on straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

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

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

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

#### 1.8 Cash at bank and in hand

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

#### 1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.11 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

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

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.15 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,831	596
Depreciation of owned tangible fixed assets	274	993
Depreciation of tangible fixed assets held under finance leases	10,040	10,037
	<u>13,145</u>	<u>11,626</u>

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Selling and distribution	2	2

### 5 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,856	1,738

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	6,070	32
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,153	6
Tax effect of expenses that are not deductible in determining taxable profit	2,698	2,965
Permanent capital allowances in excess of depreciation	(995)	(1,233)
Taxation charge for the year	2,856	1,738

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 6 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2019 and 30 April 2020	9,065	20,930	58,959	88,954
<b>Depreciation and impairment</b>				
At 1 May 2019	6,604	20,909	38,005	65,518
Depreciation charged in the year	253	21	10,040	10,314
At 30 April 2020	6,857	20,930	48,045	75,832
<b>Carrying amount</b>				
At 30 April 2020	2,208	-	10,914	13,122
At 30 April 2019	2,461	21	20,954	23,436

The net carrying value of tangible fixed assets includes the following in respect of assets held under hire purchase contracts.

	2020 £	2019 £
Motor vehicles	10,914	20,952

### 7 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	8	1,000	1,000

### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2019 & 30 April 2020	1,000
<b>Carrying amount</b>	
At 30 April 2020	1,000
At 30 April 2019	1,000

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 8 Subsidiaries

These financial statements are separate company financial statements for MAS Zengrange Ltd.

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
MAS Zengrange (NZ) Ltd	New Zealand	Ordinary	100.00

### 9 Stocks

	2020 £	2019 £
Finished goods and goods for resale	-	877,503

### 10 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	36,807
Amounts owed by group undertakings	6,241,684	6,258,181
Other debtors	303,368	267,561
Prepayments and accrued income	10,374	18,719
	<u>6,555,426</u>	<u>6,581,268</u>

Amounts due from group undertakings are interest free, unsecured and receivable on demand.

### 11 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	13	-	325,255
Obligations under finance leases		3,463	7,951
Trade creditors		671	38,814
Amounts owed to group undertakings		2,998,153	2,671,638
Corporation tax		2,856	5,232
Other taxation and social security		22,605	5,843
Other creditors		4,531,202	4,205,960
Accruals and deferred income		20,418	17,766
		<u>7,579,368</u>	<u>7,278,459</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 12 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases		-	3,823

### 13 Loans and overdrafts

		2020 £	2019 £
Bank overdrafts		-	325,255
Payable within one year		-	325,255

The bank overdrafts are secured by the unlimited guarantee given by connected companies and debenture in form and substance satisfactory to the bank.

### 14 Share capital

	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100

### 15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ketan Shah.  
The auditor was KLSA LLP.

### 16 Financial commitments, guarantees and contingent liabilities

A cross-guarantee and debenture has been given by the group companies in respect of their bank indebtedness.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 17 Events after the reporting date

Subsequent to the balance sheet date, the UK's economic outlook has deteriorated as a consequence of the COVID-19 pandemic and the measures taken by the government to control the spread of the virus. The company has continued to operate successfully throughout this period. The directors' continue to monitor the World Health Organisation, Department of Health and other government websites and are continuously monitoring the situation to identify any potential disruption of service. The company will implement all necessary and prudent measures to ensure the health and safety of its personnel while minimising any disruption to our customers.

### 18 Related party transactions

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

At the balance sheet date, the balance receivable from Hall & Watts Holdings Limited and Hall & Watts Australia Limited both being connected companies amounted to £276,566 (2019: £231,408), £21,695 (2019: £21,695) respectively. These balances are shown in note 13 under the category 'Other debtors'.

At the balance sheet date, the balance payable to Hall & Watts Limited and Hall & Watts Defence Optics Limited, both being connected companies amounted to £3,627 (2019: £3,627), £4,527,575 (2019: £4,202,334) respectively. These balances are shown in note 14 under the category 'Other creditors'.

During the year, management fees paid to Hall & Watts Defence Optics Limited, a connected company amounted to £1,075,000 (2019: £50,000).

### 19 Ultimate controlling party

The ultimate parent company undertaking is MAS Holdings Limited, incorporated in England and Wales. The ultimate controlling parties are Mr Arvind Thakkar and Mr John Hoskins.

### 20 Analysis of changes in net funds/(debt)

	1 May 2019	Cash flows	30 April 2020
	£	£	£
Cash at bank and in hand	27,132	1,213,959	1,241,091
Bank overdrafts	(325,255)	325,255	-
	(298,123)	1,539,214	1,241,091
Obligations under finance leases	(11,774)	8,311	(3,463)
	(309,897)	1,547,525	1,237,628