

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	W R Davis D Deep D C Hind J B Kempston D A Petheram
Registered number	06805545
Registered office	21 Holborn Viaduct London EC1A 2DY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

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INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present their Strategic Report for the year ended 31 December 2020.

The company performs the role of primary contractor for the delivery of protected vehicles, providing programme arrangement for the delivery of vehicles, spares and support.

This report has been prepared in accordance with the provisions applicable to companies subject to small companies regime.

Business review

The company's business includes the delivery of integrated survivable vehicle solutions.

During the year the company recorded revenue of £897,856. The recognition of additional contract costs and administration expenses resulted in a trading loss for the year. The company has continued to work toward closing out the existing open contracts with the United Kingdom Ministry of Defence for the delivery of vehicles and related support across multiple platforms. These contracts were successfully closed in December 2021.

The critical performance measures that the company's management team use to monitor the business include gross profit levels, levels of working capital, cash flows and net profit achieved.

Going concern

The financial statements have not been prepared on the going concern basis. They have been prepared on a break-up basis, as the company is expected to cease trading in 2022 and the directors intend to wind up the company within the twelve months of signing these financial statements.

This report was approved by the board on 4 March 2022 and signed on its behalf.



D C Hind
Director

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £470,161 (2019: loss £47,522).

No dividends will be distributed for the year ended 31 December 2020 (2019: £Nil).

Directors

The directors who served during the year were:

W R Davis
D Deep
D C Hind
J B Kempston
D A Petheram

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 judgements 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.

Financial instruments

Financial risk management objectives and policies

The company uses various financial instruments including related party balances, cash, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are currency risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks as they are summarised below. These policies have remained unchanged from previous years.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible a natural hedge is employed in that any sales in a foreign currency are offset by back to back purchases in that currency.

Whilst the aim is to achieve an economic hedge the company does not adopt an accounting policy of hedge accounting for these financial statements.

No sales during the year were recorded to customers in continental Europe. A small proportion of the sales for the year were priced in US dollars. Where possible, the company policy is to try to match the timing of settling sales and purchase invoices so as to eliminate, as far as possible, currency exposures. Where the company has residual financial assets and liabilities foreign exchange differences on retranslation of these assets and liabilities are taken to income statement of the company.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company policy throughout the year has been to finance its operations through cash held in bank.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the company's trade debtors. The company however primarily trades with the UK government so debtor risk is considered negligible.

Matters covered in the strategic report

An indication of likely future developments of the business are included within the Business Review section of the Strategic Report.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 on 4 March 2022 and signed on its behalf.



D C Hind
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED SURVIVABILITY
TECHNOLOGIES LIMITED**

Opinion

We have audited the financial statements of Integrated Survivability Technologies Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 Financial Reporting Standard 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 2020 and of its loss 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

Emphasis of matter – basis of preparation of the financial statements

We draw attention to Note 2.2 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the company is expected to cease trading in the forthcoming year and the directors intend to wind up the company, and accordingly the directors have prepared the financial statements on a break-up basis. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED SURVIVABILITY
TECHNOLOGIES LIMITED (CONTINUED)**

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 have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED SURVIVABILITY
TECHNOLOGIES LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified international accounting standards and Companies Act 2006, along with legislation relating to health & safety and data protection, as those most likely to have a material effect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED SURVIVABILITY
TECHNOLOGIES LIMITED (CONTINUED)**

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the Company's control environment;
 - the Company's relevant controls over areas of significant risks; and
 - the Company's business processes in respect of classes of transactions that are significant to the financial statements .
- Audit procedures performed by the engagement team included:
 - identifying the significant risk of fraud within revenue recognition;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory requirements specific to the Company.
- We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.

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.



Timothy Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

4 March 2022

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Turnover	897,856	-
Cost of sales	(1,321,728)	-
Gross (loss)/profit	(423,872)	-
Administrative expenses	(46,289)	(47,617)
Operating loss	(470,161)	(47,617)
Tax on loss	-	95
Loss for the financial year	(470,161)	(47,522)

There was no other comprehensive income for 2020 (2019:£Nil).

The notes on pages 12 to 18 form part of these financial statements.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED
REGISTERED NUMBER:06805545

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Current assets			
Stocks	5	-	35,675
Debtors: amounts falling due within one year	6	3,005,797	2,148,294
Cash at bank and in hand	7	826,371	1,017,438
		<u>3,832,168</u>	<u>3,201,407</u>
Creditors: amounts falling due within one year	8	(2,900,698)	(1,799,776)
Net current assets		<u>931,470</u>	<u>1,401,631</u>
Total assets less current liabilities		<u>931,470</u>	<u>1,401,631</u>
Net assets		<u><u>931,470</u></u>	<u><u>1,401,631</u></u>
Capital and reserves			
Called up share capital	10	600,000	600,000
Share premium account	11	2,399,996	2,399,996
Profit and loss account	11	(2,068,526)	(1,598,365)
		<u>931,470</u>	<u>1,401,631</u>

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 on 4 March 2022.



D C Hind
Director

The notes on pages 12 to 18 form part of these financial statements.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	600,000	2,399,996	(1,550,843)	1,449,153
Comprehensive income for the year				
Loss for the year	-	-	(47,522)	(47,522)
Total comprehensive income for the year	-	-	(47,522)	(47,522)
At 1 January 2020	600,000	2,399,996	(1,598,365)	1,401,631
Comprehensive income for the year				
Loss for the year	-	-	(470,161)	(470,161)
Total comprehensive income for the year	-	-	(470,161)	(470,161)
At 31 December 2020	600,000	2,399,996	(2,068,526)	931,470

The notes on pages 12 to 18 form part of these financial statements.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Integrated Survivability Technologies Limited is a private Company limited by shares and incorporated in England and Wales. Its registered head office is located at 21 Holborn Viaduct, London, EC1A 2DY.

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. 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Break-up basis

The financial statements are prepared on the break-up basis as the company is expected to cease trading in the forthcoming year and the directors intend to wind up the company post year end.

2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Taxation

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.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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.

2.9 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.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 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 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Recoverability of debtors and accrued income

Management is of the opinion that debtors and accrued income are recoverable in full and that any shortfall in recoverability would be offset against the corresponding back to back liability. Therefore no provision is required in relation to these balances at year end.

Basis of preparation

It is considered that as the company does not have any non-current assets or liabilities there is no material difference between amounts under the historic cost convention and the recoverable amounts of the assets and liabilities determined under the break-up basis.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2019: 0).

5. Stocks

	2020 £	2019 £
Stock	-	35,675

6. Debtors

	2020 £	2019 £
Trade debtors	-	328,000
Other debtors	3,766	-
Prepayments and accrued income	3,002,031	1,820,194
Tax recoverable	-	100
	<u>3,005,797</u>	<u>2,148,294</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	826,371	1,017,438

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,883,370	803,789
Corporation tax	100	-
Other taxation and social security	-	164,335
Accruals and deferred income	17,228	831,652
	<u>2,900,698</u>	<u>1,799,776</u>

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,828,402</u>	<u>3,165,632</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,900,598)</u>	<u>(1,635,441)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
600,000 (2019: 600,000) Ordinary shares of £1.00 each	<u>600,000</u>	<u>600,000</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

11. Reserves

Share premium account

Includes the accumulated premium on the issue of share capital less any directly associated expenditure.

Profit and loss account

Includes all current and prior period retained profits and losses.

INTEGRATED SURVIVABILITY TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Related party transactions

During the year there were no transactions with General Dynamics Land Systems - Force Protection Industries (GDLS-FPI), a company which owns 100% of Force Protection Europe Limited, a shareholder of this company. At the year end the amount £44,018 (2019: £44,018) due from GDLS-FPI was considered unrecoverable and written off to the profit and loss account together with an accrual of £37,961 (2019: £37,961) due to GDLS-FPI where payment will not be required.

During the year there were no transactions with Force Protection Europe Limited (FPE) (2019: £722), a shareholder of this company. At the year end the amount £276,111 (2019: £276,111) owing to FPE was written off to the profit and loss account together with an accrual of £84,894 (2019: £84,894) as neither are considered payable following the strike off of FPE.

On 15 December 2020, the shares owned by Force Protection Europe Limited were transferred to General Dynamics Limited.

During the year the company made no payments to General Dynamics Limited, a shareholder of this company. The company recorded an expense during the year of £2,834 (2019: £Nil). At the year end an amount of £2,834 (2019: £Nil) was owed to General Dynamics United Kingdom Limited and is included in the trade creditors balance in note 9.

During the year the company made no payments to NP Aerospace Limited, a shareholder of this company. The company recorded an expense during the year of £1,696,082 (2019: £845,950). At the year end an amount of £2,878,605 (2019: £525,578) was owed to NP Aerospace Limited and is included in the trade creditors balance in note 9. Included in accruals and deferred income is an amount of £Nil (2019: £656,944) due to NP Aerospace Limited.

13. Post balance sheet events

The directors do not consider the ongoing Covid-19 global pandemic to have a financial impact on the business.

On 20 July 2021 and 3 December 2021 the company raised invoices for £1,558,715 and £1,441,225 respectively to the United Kingdom Ministry of Defence. This invoicing completed the close out of remaining open contracts concerning the delivery of protected vehicles, spares and support.

14. Ultimate Controlling party

At the year end the company was jointly controlled by General Dynamics Limited and NP Aerospace Limited.