

Company Registration No. 01492026 (England and Wales)

ARCTREND LIMITED
T/A ARCFLEX
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



ARCTREND LIMITED
T/A ARCFLEX
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ARCTREND LIMITED
T/A ARCFLEX
BALANCE SHEET
AS AT 31 DECEMBER 2019

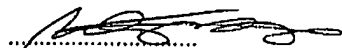
	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	4		57,650		65,702
Tangible assets	5		1,194,322		784,793
Investments	6		1,004		1,004
			<u>1,252,976</u>		<u>851,499</u>
Current assets					
Stocks		949,256		376,423	
Debtors	8	1,670,673		608,835	
Cash at bank and in hand		25,019		490,595	
		<u>2,644,948</u>		<u>1,475,853</u>	
Creditors: amounts falling due within one year	9	<u>(1,823,541)</u>		<u>(577,609)</u>	
Net current assets			<u>821,407</u>		<u>898,244</u>
Total assets less current liabilities			<u>2,074,383</u>		<u>1,749,743</u>
Creditors: amounts falling due after more than one year	10		(500,000)		-
Provisions for liabilities	11		(45,891)		(57,145)
Net assets			<u>1,528,492</u>		<u>1,692,598</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Revaluation reserve			200,407		258,507
Profit and loss reserves			1,327,085		1,433,091
Total equity			<u>1,528,492</u>		<u>1,692,598</u>

The director of the company has 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.

ARCTREND LIMITED
T/A ARCFLEX
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements were approved and signed by the director and authorised for issue on 24 February 2020



Mr P Watson
Director

Company Registration No. 01492026

ARCTREND LIMITED
T/A ARCFLEX
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2018		1,000	321,980	1,310,344	1,633,324
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	581,800	581,800
Dividends		-	-	(522,526)	(522,526)
Transfers		-	(63,473)	63,473	-
Balance at 31 December 2018		1,000	258,507	1,433,091	1,692,598
Year ended 31 December 2019:					
Profit for the year		-	-	279,339	279,339
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(70,000)	-	(70,000)
Tax relating to other comprehensive income		-	11,900	-	11,900
Total comprehensive income for the year		-	(58,100)	279,339	221,239
Dividends		-	-	(385,345)	(385,345)
Balance at 31 December 2019		1,000	200,407	1,327,085	1,528,492

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Arctrend Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Tower Road, Meaford Business Park, Stone, Staffordshire, ST15 0WQ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Arctrend Limited is a wholly owned subsidiary of Rattay Holding Limited and the results of Arctrend Limited are included in the consolidated financial statements of Rattay Holding Limited which are available from 9th Floor, 107 Cheapside, London EC2V 6DN.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Development costs	10 years straight line
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1.6 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:

Freehold buildings	2% reducing balance
Leasehold improvements	10% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

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.

1.7 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and share's control under a contractual arrangement are classified as jointly controlled entities.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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.

1.9 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.

1.10 Cash and cash equivalents

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.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 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.

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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.

1.16 Retirement benefits

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

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 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 are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revaluation of freehold land and property

The company carries its freehold land and buildings at fair value less accumulated depreciation.

Depreciation is provided on all freehold buildings at rates calculated to write off the fair value, less estimated residual value, of each property on a systematic basis over its expected useful life as disclosed above.

If there are indicators that the residual value has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value shall be amended.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 39 (2018 - 37).

4 Intangible fixed assets

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 January 2019 and 31 December 2019	7,000	89,445	96,445
Amortisation and impairment			
At 1 January 2019	7,000	23,743	30,743
Amortisation charged for the year	-	8,052	8,052
At 31 December 2019	7,000	31,795	38,795
Carrying amount			
At 31 December 2019	-	57,650	57,650
At 31 December 2018	-	65,702	65,702

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2019	420,000	1,300,386	1,720,386
Additions	474,692	7,099	481,791
Disposals	-	(20,950)	(20,950)
Revaluation	(70,000)	-	(70,000)
Transfers	-	87,251	87,251
At 31 December 2019	824,692	1,373,786	2,198,478
Depreciation and impairment			
At 1 January 2019	-	935,593	935,593
Depreciation charged in the year	23,750	62,085	85,835
Eliminated in respect of disposals	-	(17,272)	(17,272)
At 31 December 2019	23,750	980,406	1,004,156
Carrying amount			
At 31 December 2019	800,942	393,380	1,194,322
At 31 December 2018	420,000	364,793	784,793

Land and buildings with a carrying amount of £350,000 (2018: £420,000) were revalued in January 2020 by the directors based on market information received. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Included in cost of land and buildings is freehold land of £100,000 which is not depreciated.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	161,493	161,493
Accumulated depreciation	-	-
Carrying value	161,493	161,493

6 Fixed asset investments

	2019 £	2018 £
Investments	1,004	1,004

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2019 & 31 December 2019	1,004
Carrying amount	
At 31 December 2019	1,004
At 31 December 2018	1,004

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Arcflex Limited	i).	Ordinary	100.00	-
Flexitubes Limited	i).	Ordinary	100.00	-
Tofle Co Limited	i).	Ordinary	100.00	-

Registered office address:

i). 3 Tower Road, Meaford Business Park, Stone, Staffordshire, ST15 0WQ

8 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,010,893	561,676
Corporation tax recoverable	84,262	-
Amounts owed by group undertakings	535,546	2,188
Other debtors	8,269	13,274
Prepayments and accrued income	31,703	31,697
	<u>1,670,673</u>	<u>608,835</u>

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	90,032	-
Other borrowings	603,010	-
Trade creditors	405,927	148,834
Amounts owed to group undertakings	331,413	219,565
Corporation tax	-	25,209
Other taxation and social security	131,196	126,807
Other creditors	90,447	1,589
Accruals and deferred income	171,516	55,605
	<u>1,823,541</u>	<u>577,609</u>

Other borrowings comprise amounts due in respect of an invoice discounting facility. The amount has been secured against the book debts of the company.

Included within accruals is an amount of £87,450 which has been provided for in order to spread a lease incentive over the term of the lease on a straight line basis.

10 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	500,000	-
	<u>500,000</u>	<u>-</u>

Bank loans and borrowings are secured by way of fixed and floating charge over all assets of the company.

11 Provisions for liabilities

	2019 £	2018 £
Dilapidations	20,000	-
Deferred tax liabilities	25,891	57,145
	<u>45,891</u>	<u>57,145</u>

12 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
50 Ordinary shares of £1 each	50	50
950 Ordinary A shares of £1 each	950	950
	<u>1,000</u>	<u>1,000</u>

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12 Called up share capital **(Continued)**

	2019	2018
	£	£

13 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 Paul Maberly FCA.

The auditor was Mercer & Hole.

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
1,839,798		27,383
	<u> </u>	<u> </u>

15 Events after the reporting date

Since the year end, the company has received an offer for the sale of its freehold property with a carrying value of £350,000.

16 Related party transactions

The company has taken advantage of the exemption under FRS 102 section 33.1A, as a wholly owned subsidiary of Rattay Holding Limited and has not disclosed details of any transactions with any group companies.

17 Parent company

The company is a 100% owned subsidiary of Rattay Holding Limited, a company incorporated in England and Wales whose registered office is 3 Meaford Business Park, Meaford, Stone, Staffordshire ST15 0WQ..

The company's ultimate controlling entity is Rattay Group GmbH, a company incorporated in Germany. The registered office of Rattay Group GmbH is In der Beckuhl 20, 46569 Hünxe, Germany.

The smallest group within which the company's financial statements are consolidated are those of Rattay Holding Limited. The largest group within which the company's financial statements are consolidated are those of Rattay Group GmbH.