

Company registration number 01492026 (England and Wales)

ARCTREND LIMITED
T/A ARCFLEX
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

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T/A ARCFLEX
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ARCTREND LIMITED
T/A ARCFLEX
BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	3	42,746	51,826
Tangible assets	4	735,330	719,934
Investments	5	2	2
		<u>778,078</u>	<u>771,762</u>
Current assets			
Stocks		1,604,810	1,517,930
Debtors	7	1,400,030	1,480,623
Cash at bank and in hand		8,417	10,559
		<u>3,013,257</u>	<u>3,009,112</u>
Creditors: amounts falling due within one year	8	<u>(2,277,179)</u>	<u>(2,245,786)</u>
Net current assets		<u>736,078</u>	<u>763,326</u>
Total assets less current liabilities		<u>1,514,156</u>	<u>1,535,088</u>
Creditors: amounts falling due after more than one year	9	(412,975)	(194,444)
Provisions for liabilities	10	(30,884)	(64,917)
Net assets		<u>1,070,297</u>	<u>1,275,727</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss reserves		1,069,297	1,274,727
Total equity		<u>1,070,297</u>	<u>1,275,727</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.

The financial statements were approved and signed by the director and authorised for issue on 10 March 2023

Mr I Scutt
Director

Company Registration No. 01492026

ARCTREND LIMITED
T/A ARCFLEX
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2021	1,000	200,205	1,136,552	1,337,757
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(52,396)	(52,396)
Dividends	-	-	(9,634)	(9,634)
Transfers	-	(200,205)	200,205	-
Balance at 31 December 2021	1,000	-	1,274,727	1,275,727
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(205,430)	(205,430)
Balance at 31 December 2022	1,000	-	1,069,297	1,070,297

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirement:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

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

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the director has considered trading levels since the year end and has prepared budgets to December 2025. There is an expectation that revenues will continue to grow and the company will return to profit from the Financial Year 2024. Further, the director has received a letter of support from the company's ultimate parent company, Rattay Group GmbH, that it intends to continue to support the company for the foreseeable future. However, there is no legally binding agreement that guarantees that support.

Thus, the director continues to adopt the going concern basis of accounting in preparing these financial statements.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 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.

1.4 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.

1.5 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:

Website development costs	5 years straight line
Development costs	10 years straight line

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:

Leasehold improvements	10% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	15% 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.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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 cost and replacement 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.

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.19 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 Employees

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

	2022	2021
	Number	Number
Total	37	37

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2022 and 31 December 2022	102,705
Amortisation and impairment	
At 1 January 2022	50,879
Amortisation charged for the year	9,080
At 31 December 2022	59,959
Carrying amount	
At 31 December 2022	42,746
At 31 December 2021	51,826

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2022	517,221	1,381,651	1,898,872
Additions	8,501	124,582	133,083
Disposals	-	(26,335)	(26,335)
At 31 December 2022	525,722	1,479,898	2,005,620
Depreciation and impairment			
At 1 January 2022	113,622	1,065,316	1,178,938
Depreciation charged in the year	52,147	48,454	100,601
Eliminated in respect of disposals	-	(9,249)	(9,249)
At 31 December 2022	165,769	1,104,521	1,270,290
Carrying amount			
At 31 December 2022	359,953	375,377	735,330
At 31 December 2021	403,599	316,335	719,934

5 Fixed asset investments

	2022	2021
	£	£
Shares in group undertakings and participating interests	2	2

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Arcflex Limited	i).	Ordinary	100.00

Registered office address:

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

ARCTREND LIMITED
T/A ARCFLEX
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	738,826	715,638
Corporation tax recoverable	39,798	90,653
Amounts owed by group undertakings	530,471	559,180
Other debtors	8,269	8,269
Prepayments and accrued income	82,666	106,883
	<u>1,400,030</u>	<u>1,480,623</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	103,780	171,626
Other borrowings	531,713	713,075
Trade creditors	559,388	545,734
Amounts owed to group undertakings	387,085	409,122
Taxation and social security	320,718	214,024
Other creditors	65,604	8,419
Accruals and deferred income	308,891	183,786
	<u>2,277,179</u>	<u>2,245,786</u>

Other borrowings includes amounts due in respect of an invoice discounting facility of £513,713 (2021: £713,075). The amount has been secured against the book debts of the company.

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

9 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	38,889	194,444
Loan from parent undertaking	374,086	-
	<u>412,975</u>	<u>194,444</u>

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

The loan from the company's parent company bears interest at 3% and is repayable by 31 January 2025.

ARCTREND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Provisions for liabilities

	2022	2021
	£	£
Dilapidations	20,000	20,000
Deferred tax liabilities	10,884	44,917
	<u>30,884</u>	<u>64,917</u>

11 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.

Senior Statutory Auditor: Paul Maberly FCA
Statutory Auditor: Mercer & Hole LLP

12 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:

2022	2021
£	£
1,253,579	1,468,450
<u>1,253,579</u>	<u>1,468,450</u>

13 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.

14 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.