

Company registration number 01582704 (England and Wales)

# **ARCTIC HAYES LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**PAGES FOR FILING WITH REGISTRAR**

# ARCTIC HAYES LIMITED

## CONTENTS

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	<b>Page</b>
Balance sheet	1
Notes to the financial statements	2 - 8

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**ARCTIC HAYES LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2022**

		2022	2021
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	3	255,724	71,297
<b>Current assets</b>			
Stocks		1,679,798	1,606,816
Debtors	4	7,738,485	6,324,247
Cash at bank and in hand		242,763	110,884
		9,661,046	8,041,947
<b>Creditors: amounts falling due within one year</b>	5	(4,163,791)	(3,176,895)
<b>Net current assets</b>		5,497,255	4,865,052
<b>Total assets less current liabilities</b>		5,752,979	4,936,349
<b>Creditors: amounts falling due after more than one year</b>	6	(79,530)	(11,953)
<b>Provisions for liabilities</b>		(57,506)	(14,756)
<b>Net assets</b>		5,615,943	4,909,640
<b>Capital and reserves</b>			
Called up share capital		89	89
Capital redemption reserve		11	11
Profit and loss reserves		5,615,843	4,909,540
<b>Total equity</b>		5,615,943	4,909,640

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 31 July 2023 and are signed on its behalf by:

**Mr L Parsons**  
Director

**Company Registration No. 01582704**

# ARCTIC HAYES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Arctic Hayes Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9 Millshaw Park Avenue, Leeds, LS11 0LR.

##### 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. The principal accounting policies adopted are set out below.

##### 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.

Since the balance sheet date the company has further utilised its increased capacity and skill base to deliver profitable trading results, continuing the theme of recent years. Whilst certain macro economic uncertainties abound, the company has demonstrated through its response to recent global disruptions that it is agile and will successfully adapt to changing circumstances to maintain profitability. The company is well positioned with cash available and an experienced management team is in place, capable of managing the business through any challenges.

The directors have prepared and made reference to financial budgets covering more than twelve months from the date of approving these financial statements. The budgets support the view that the company will have sufficient liquid resources to discharge all liabilities as they fall due for payment. Consequently the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

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.

##### 1.5 Tangible fixed assets

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

## ARCTIC HAYES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

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

Leasehold improvements	5 years straight line
Plant and machinery	5 years straight line
Office equipment	4 years straight line
Computer equipment	3 to 5 years straight line

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.

#### 1.6 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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stock is valued using the first in first out method of accounting. During the current year the company amended its valuation of stock by incorporating landed costs as they are necessarily incurred in bringing stock to the location and condition for onward sale. This is a change in accounting estimate and not a change in accounting policy, stated above, resulting in an increased balance sheet stock value of £104,332.

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 and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks 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. Financial assets classified as receivable within one year are not amortised.

# ARCTIC HAYES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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 and loans from fellow group companies, are initially recognised at transaction price. 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. Trade creditors are recognised initially at transaction price.

#### **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.

#### **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.

#### **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.

## ARCTIC HAYES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 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.

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.

##### 1.15 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 Employees

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

	2022 Number	2021 Number
Total	27	26

# ARCTIC HAYES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2022	-	93,377	26,093	188,740	308,210
Additions	153,269	84,621	2,200	14,200	254,290
At 31 December 2022	153,269	177,998	28,293	202,940	562,500
<b>Depreciation and impairment</b>					
At 1 January 2022	-	62,078	24,916	149,919	236,913
Depreciation charged in the year	20,125	25,940	470	23,328	69,863
At 31 December 2022	20,125	88,018	25,386	173,247	306,776
<b>Carrying amount</b>					
At 31 December 2022	133,144	89,980	2,907	29,693	255,724
At 31 December 2021	-	31,299	1,177	38,821	71,297

#### 4 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,136,001	2,330,998
Amounts owed by group undertakings	4,443,655	3,882,355
Other debtors	158,829	110,894
	7,738,485	6,324,247

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

	2022 £	2021 £
Bank loans and overdrafts	1,707,978	1,065,239
Trade creditors	642,607	301,945
Amounts owed to group undertakings	-	50,100
Taxation and social security	604,378	538,194
Other creditors	1,208,828	1,221,417
	4,163,791	3,176,895



## ARCTIC HAYES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5 Creditors: amounts falling due within one year (Continued)

Bank loans and overdrafts include an ID facility totalling £1,087,303 (2021: £814,861) secured against the debtors to which they relate, trade finance loans totalling £554,966 (2021: £250,378) and bank loans totalling £57,422 (2021: £Nil) secured by way of a fixed and floating charge over all current and future assets of the company.

Other creditors include hire purchase agreements totalling £11,943 (2021: £17,696) secured against the assets to which they relate.

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

	2022 £	2021 £
Bank loans and overdrafts	79,530	-
Other creditors	-	11,953
	<u>79,530</u>	<u>11,953</u>

Bank loans and overdrafts include bank loans totalling £79,530 (2021: £Nil) secured by way of a fixed and floating charge over all current and future assets of the company.

Other creditors include hire purchase agreements totalling £Nil (2021: £11,953) secured against the assets to which they relate.

#### 7 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:	Joe Sullivan
Statutory Auditor:	MHA Moore and Smalley

#### 8 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 £
Within one year	185,476	216,233
Between two and five years	474,199	701,791
In over five years	-	-
	<u>659,675</u>	<u>918,024</u>

## **ARCTIC HAYES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **9 Related party transactions**

The company has taken advantage of the exemption permitted under Section 1AC.35 from disclosing any transactions entered into between two or members of the group, provided that any company which is a party to the transaction is a wholly owned group company.

#### **10 Parent company**

The company is a wholly owned subsidiary of A B Outsourcing Limited, a company incorporated in England and Wales. The registered office of A B Outsourcing Limited is 9 Millshaw Park Avenue, Leeds, LS11 0LR.

The largest and smallest group in which the results of the company are consolidated is that headed by A B Outsourcing Limited. Copies of the financial statements can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

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.