

REGISTERED NUMBER: 02235902 (England and Wales)

Unaudited Financial Statements
for the Year Ended 31 May 2019
for
Arrow Engineering Components Limited

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for the Year Ended 31 May 2019**

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Arrow Engineering Components Limited

**Company Information
for the Year Ended 31 May 2019**

DIRECTORS: Mr R Arrowsmith
Mrs J L Arrowsmith

SECRETARY: Mrs J L Arrowsmith

REGISTERED OFFICE: 72 Liverpool Street
Salford
Manchester
M5 4LT

REGISTERED NUMBER: 02235902 (England and Wales)

ACCOUNTANTS: Freedman Frankl & Taylor
Chartered Accountants
Reedham House
31 King Street West
Manchester
M3 2PJ

Arrow Engineering Components Limited (Registered number: 02235902)

**Balance Sheet
31 May 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	4		64,227		108,769
CURRENT ASSETS					
Stocks	5	615,977		638,272	
Debtors	6	285,816		265,368	
Cash in hand		<u>89</u>		<u>12</u>	
		901,882		903,652	
CREDITORS					
Amounts falling due within one year	7	<u>689,673</u>		<u>733,922</u>	
NET CURRENT ASSETS			<u>212,209</u>		<u>169,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			276,436		278,499
CREDITORS					
Amounts falling due after more than one year	8		(99,126)		(45,686)
PROVISIONS FOR LIABILITIES			<u>(8,512)</u>		<u>(12,546)</u>
NET ASSETS			<u>168,798</u>		<u>220,267</u>
CAPITAL AND RESERVES					
Called up share capital			165,000		165,000
Retained earnings			<u>3,798</u>		<u>55,267</u>
SHAREHOLDERS' FUNDS			<u>168,798</u>		<u>220,267</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 May 2019

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 22 February 2020 and were signed on its behalf by:

Mr R Arrowsmith - Director

Mrs J L Arrowsmith - Director

**Notes to the Financial Statements
for the Year Ended 31 May 2019**

1. STATUTORY INFORMATION

Arrow Engineering Components Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Operating lease rentals

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Going concern

The company's financial statements for the year ended 31 May 2019 have been prepared on a going concern basis as, after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2018 - 24) .

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2018	12,400	371,248	66,357
Disposals	-	(79,935)	-
At 31 May 2019	<u>12,400</u>	<u>291,313</u>	<u>66,357</u>
DEPRECIATION			
At 1 June 2018	2,432	288,405	64,885
Charge for year	248	14,101	1,116
Eliminated on disposal	-	(52,205)	-
At 31 May 2019	<u>2,680</u>	<u>250,301</u>	<u>66,001</u>
NET BOOK VALUE			
At 31 May 2019	<u>9,720</u>	<u>41,012</u>	<u>356</u>
At 31 May 2018	<u>9,968</u>	<u>82,843</u>	<u>1,472</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

4. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2018	24,309	67,077	541,391
Additions	9,200	4,288	13,488
Disposals	(22,083)	-	(102,018)
At 31 May 2019	<u>11,426</u>	<u>71,365</u>	<u>452,861</u>
DEPRECIATION			
At 1 June 2018	12,797	64,103	432,622
Charge for year	4,973	2,893	23,331
Eliminated on disposal	(15,114)	-	(67,319)
At 31 May 2019	<u>2,656</u>	<u>66,996</u>	<u>388,634</u>
NET BOOK VALUE			
At 31 May 2019	<u>8,770</u>	<u>4,369</u>	<u>64,227</u>
At 31 May 2018	<u>11,512</u>	<u>2,974</u>	<u>108,769</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 June 2018	32,155	19,079	51,234
Disposals	-	(19,079)	(19,079)
Transfer to ownership	(32,155)	-	(32,155)
At 31 May 2019	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION			
At 1 June 2018	8,039	11,130	19,169
Charge for year	3,215	2,782	5,997
Eliminated on disposal	-	(13,912)	(13,912)
Transfer to ownership	(11,254)	-	(11,254)
At 31 May 2019	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE			
At 31 May 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2018	<u>24,116</u>	<u>7,949</u>	<u>32,065</u>

5. **STOCKS**

	2019 £	2018 £
Goods for re-sale	<u>615,977</u>	<u>638,272</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2019

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade debtors	224,539	202,862
Other debtors	61,277	62,506
	<u>285,816</u>	<u>265,368</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Bank loans and overdrafts	102,626	126,383
Hire purchase contracts	-	8,308
Trade creditors	159,777	196,588
Taxation and social security	25,866	35,068
Other creditors	401,404	367,575
	<u>689,673</u>	<u>733,922</u>

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019	2018
	£	£
Bank loans	<u>99,126</u>	<u>45,686</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank overdrafts	71,323	86,894
Bank loans	130,429	85,175
Hire purchase contracts	-	8,308
Other creditors	-	124,335
	<u>201,752</u>	<u>304,712</u>

10. **RELATED PARTY DISCLOSURES**

Included within the other creditors is the directors current account balance of £222,780 (2018: £229,518). There are no fixed repayment terms and no interest is chargeable to the company in respect of this balance.

The company's bank borrowings are secured on property owned personally by the directors. During the current and previous year the company occupied these premises rent free.

During the year, the company paid rent amounting to £20,497 (2018: £20,497) to a Pension Scheme in which the directors are trustees and beneficiaries.

At the year end, the amount due to the Pension Scheme was £199 (2018: £3,295).

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.