

Arrow Industrial Holdings Limited

Report and Financial Statements

Year Ended

30 September 2014

Company Number 06407922



Arrow Industrial Holdings Limited

Report and financial statements for the year ended 30 September 2014

Contents

Page:

1	Report of the directors
4	Independent auditor's report
6	Statement of total comprehensive income
7	Statement of financial position
8	Statement of cash flows
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

M E Thistlethwayte
J R Thistlethwayte
N B Oliver
D A Horner.
D C Harbord
N M Auton

Secretary and registered office

Finnies Limited, 930 Hedon Road, Hull, HU9 5QN

Company number

06407922

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Arrow Industrial Holdings Limited

Report of the directors for the year ended 30 September 2014

The directors present their report together with the audited financial statements for the year ended 30 September 2014.

Principal activities

The principal activity of the Company in the year under review was that of a holding company.

The Company is a private limited company and is incorporated and domiciled in the UK. The registered number of the company is 06407922.

Results

The statement of comprehensive income is set out on page 6 and shows the profit for the year.

Review of business and future developments

As the Company is non-trading, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The directors consider the prospects for the Group (being this company and its principal trading subsidiary, Arrow Industrial Group Limited) for the foreseeable future to be satisfactory.

Financial risk management

The Company's operations may expose it to a variety of financial risks. These are disclosed further in note 3 to the financial statements.

Directors

The directors of the company during the year were:

M E Thistlethwayte
J R Thistlethwayte
N B Oliver
D A Horner
D C Harbord
N M Auton

The Company has purchased and, throughout the year, maintained appropriate insurance cover in respect of Directors' and Officers' liabilities.

Arrow Industrial Holdings Limited

Report of the directors for the year ended 30 September 2014 (continued)

Equality of Opportunity

All applications for employment are treated with full, fair and equal consideration. Job offers are entirely based on merit taking into account aptitude and capability to carry out each role based on a defined job specification. In the event that an employee became disabled, the company would do its utmost to retain the employee by, wherever possible, providing an environment adapted for their needs. This could mean providing specially adapted working facilities, home working facilities or re-training. It is the policy of the company that all job opportunities, career development, training and career advancement opportunities are available to all employees.

Directors' responsibilities

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the company and of the 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;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- 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.

Arrow Industrial Holdings Limited

Report of the directors for the year ended 30 September 2014 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



D C Harbord
Director

Date 25/1/15

Arrow Industrial Holdings Limited

Independent auditor's report

TO THE MEMBERS OF ARROW INDUSTRIAL HOLDINGS LIMITED

We have audited the financial statements of Arrow Industrial Holdings Limited for the year ended 30 September 2014 which comprise the statement of total comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2014 and of the company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Arrow Industrial Holdings Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Arbinder Chatwal (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

Date 29/01/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Arrow Industrial Holdings Limited

Statement of total comprehensive income for the year ended 30 September 2014

	Note	2014 £	2013 £
Revenue - Dividends received from subsidiary companies		280,000	280,000
Finance costs - redeemable preference share dividends	16	(277,950)	(277,950)
Profit before tax		2,050	2,050
Tax expense	7	-	-
Profit for the year		2,050	2,050
Total comprehensive income for the year		2,050	2,050
Profit and total comprehensive income attributable to:			
Equity holders of the company		2,050	2,050

The company has no other items of comprehensive income and as such the statement of comprehensive income for the year agrees to the profit for the year.

The notes on pages 10 to 23 form part of these financial statements.

Arrow Industrial Holdings Limited

Statement of financial position at 30 September 2014

Company number 06407922	Note	2014 £	2014 £	2013 £	2013 £
Assets					
Non-current assets					
Investments in subsidiaries	8		3,850,414		3,850,414
Investments in associates	9		200,000		200,000
Other receivables	10		611,523		609,473
Total assets			4,661,937		4,659,887
Equity attributable to equity holders					
Ordinary shares	11	95,000		95,000	
Retained earnings	12	49,634		47,584	
Total equity			144,634		142,584
Liabilities					
Non-current liabilities					
Borrowings - Redeemable preference shares	14	4,502,500		4,502,500	
Non-current liabilities			4,502,500		4,502,500
Current liabilities					
Other payables	13	14,803		14,803	
Current liabilities			14,803		14,803
Total liabilities			4,517,303		4,517,303
Total equity and liabilities			4,661,937		4,659,887

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

The financial statements were approved and authorised for issue by the Board of Directors on 29/1/15 and were signed on its behalf by:


D C Harbord
Director

The notes on pages 10 to 23 form part of these financial statements.

Arrow Industrial Holdings Limited

Statement of cash flows for the year ended 30 September 2014

	Note	2014 £	2014 £	2013 £	2013 £
Cash flows used in operating activities	17		-		-
Cash flows from investing activities					
Dividends received from subsidiary companies		280,000		280,000	
Settlement of loans advanced to subsidiary companies		(2,050)		(2,050)	
Investment in associate				-	
Net cash generated from investing activities			277,950		277,950
Cash flows from financing activities					
Interest paid - redeemable preference share dividends		(277,950)		(277,950)	
Net cash used in financing activities			(277,950)		(277,950)
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at the beginning of the year			-		-
Cash and cash equivalents at the end of the year			-		-

The notes on pages 10 to 23 form part of these financial statements.

Arrow Industrial Holdings Limited

Statement of changes in equity for the year ended 30 September 2014

	Ordinary share capital £	Retained earnings £	Total £
Balance at 30 September 2012	95,000	45,534	140,534
Comprehensive income			
Profit for the year	-	2,050	2,050
Total comprehensive income	-	2,050	2,050
Balance at 30 September 2013	95,000	47,584	142,584
Comprehensive income			
Profit for the year	-	2,050	2,050
Total comprehensive income	-	2,050	2,050
Balance at 30 September 2014	95,000	49,634	144,634

Retained earnings - the retained earnings represent cumulative net gains and losses recognised in the statement of total comprehensive income.

The notes on pages 10 to 23 form part of these financial statements.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2014

1 General information

Arrow Industrial Holdings Limited is a holding company.

The Company is a private limited company and is incorporated and domiciled in the UK. The registered office is 930 Hedon Road, Hull, HU9 5QN.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRS's) and are in accordance with IFRS as issued by the IASB. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 4.

The IFRS primary financial statements are presented in accordance with IAS 1 - 'Presentation of Financial Statements'.

Single entity financial statements

The Company has taken advantage of the exemption from preparation of consolidated financial statements afforded by section 400 of the Companies Act 2006.

Accordingly, these financial statements present information about the Company itself and do not provide consolidated financial information concerning the group as a whole. The smallest company in which the results of the Company are consolidated are those of Portchester Equity Limited.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2014 (continued)

2 Accounting policies (continued)

New accounting standards and interpretations

The following new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee are to be applied to financial statements with periods commencing on or after the following dates:

Future accounting developments

<u>International Accounting and Financial Reporting Standards (IAS/IFRS)</u>	<u>Effective date</u>
Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IFRS 10 Consolidated Financial Statements	1 January 2014
IFRS 11: Joint Arrangements	1 January 2014
IFRS 12: Disclosure of Interests in Other Entities	1 January 2014
IAS 27: Separate Financial Statements (Issued 2011)	1 January 2014
IAS 28: Investments in Associates and Joint Ventures (Issued 2011)	1 January 2014
Amendments to IAS 27: Equity method in separate financial statements	1 January 2016
(*)Improvements to IFRS 2010-2012	1 July 2014
(*)Improvements to IFRS 2011-2013	1 July 2014
Amendments to IAS 16 and (*)IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 July 2016
(*)IFRS 15: Revenue from Contracts with Customers	1 January 2017
(*)IFRS 9: Financial Instruments	1 January 2018

(*)-Awaiting endorsement for use in European Union

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

2 Accounting policies (*continued*)

Foreign currency translation

(a) Functional and presentation currency

The functional and presentation currency of the company is Pounds Sterling.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency (sterling) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such 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.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Investments in subsidiaries

All investments in subsidiaries are held at cost less impairment charges (if any). The cost of investments in subsidiaries includes expenditure that is directly attributable to the costs of acquiring subsidiary companies.

Investments in associates

Where the company has the power to participate in (but not control) the financial and operational policy decisions of another entity, it is classified as an associate. Associates are initially recognised at cost. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non financial assets.

Financial assets

Classification

The company classifies its financial assets in one category - loans and receivables. The classification depends on the purpose for which the financial assets were acquired and management determines the classification of its financial assets at initial recognition. The Company's loans and receivables comprise 'trade and other receivables' in the statement of financial position (see accounting policies).

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2014 (continued)

2 Accounting policies (continued)

Financial assets (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase the asset. Financial assets are derecognised when the risk and reward of ownership have transferred.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the trade receivable is impaired. The amount of the provision recorded is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised within administrative expenses in the statement of total comprehensive income.

Share capital

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other payables

Other payables are non derivative financial liabilities with fixed or determinable payments and relate to obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised costs, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of total comprehensive income over the period of borrowings using the effective interest rate method.

Preference shares, which are mandatorily redeemable on a specified date are classified as liabilities. The dividends on these preference shares are recognised in the statement of total comprehensive income as an interest expense.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

2 Accounting policies (*continued*)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of total comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, it establishes provisions, when appropriate, as the basis of amounts expected to be paid to the tax authorities.

Where tax relief is claimed against losses sustained by other companies in the Group, this relief is charged to the Company by the donor company at the rate of £1 for every £1 of taxation not paid. Amounts payable for group relief are included in the taxation charge of the Company.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

Revenue

The Company receives dividends from its subsidiary company. These are recognised as revenue when the Company becomes entitled to receive such dividends, which is typically on receipt of the monies.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders or, in the case of cumulative preference share dividends, the period in which the Company becomes contractually obliged to pay a dividend to the shareholders.

3 Financial risk management

Financial risk factors

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the executive directors.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

3 Financial risk management (continued)

(a) Interest rate cash flow risk

The Company has interest bearing liabilities. Interest bearing liabilities comprise amounts due in respect of redeemable preference shares which have a fixed interest rate of 8%.

(b) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company keeps the capital structure under review with a process of monthly financial forecasts updated quarterly. These forecasts, including a detailed cash flow forecast, provide the Board with an assessment of the Company's capital adequacy for the period under review.

Management regard the capital structure of the Company to consist of the ordinary and redeemable preference shares in issue.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively managed with annual cash flow forecasts updated as required and subject to board review.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year £
At 30 September 2014	
Other payables	14,803
Redeemable preference shares	4,602,257
	<hr/>
At 30 September 2013	
Other payables	14,803
Redeemable preference shares	4,602,257
	<hr/>

The company's borrowings are analysed in note 14.

No borrowings had a maturity greater than 1 year.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2014 (continued)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The financial statements include no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Employee benefit expense

The company did not incur any expenses in connection with employment during the year (2013 - £Nil).

The average monthly number of persons (including executive directors) employed during the year was 4 (2013 - 4).

The number of employees at 30 September 2014 was 4 (2013 - 4).

The directors did not receive any emoluments in respect of their services to the company (2013 - £Nil).

6 Auditors' remuneration

The auditor's remuneration has been borne by the trading company, Arrow Industrial Group Limited, with no recharge to the Company.

7 Tax expense

	2014 £	2013 £
<i>Current tax</i>		
Current tax on profit for the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the Company as follows:

	2014 £	2013 £
Profit before tax	2,050	2,050
	<hr/>	<hr/>
Tax calculated at domestic tax rates applicable at 22.00% (2013 - 23.5%)	451	482
Effects of:		
Expenses not deductible for tax purposes	61,141	65,318
Non taxable group income	(61,592)	(65,800)
	<hr/>	<hr/>
Total tax charge for year	-	-
	<hr/>	<hr/>

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

7 Tax expense (continued)

The changes to the main rate of corporation tax for UK companies announced in the March 2013 Budget were substantively enacted on 2 July 2013. These tax rate changes are that the main rate of corporation tax reduced from 23% to 21% from 1 April 2014 and will reduce to 20% from 1 April 2015. As these changes were substantively enacted at the statement of financial position date, they have been included in these financial statements.

8 Investments in subsidiary

Shares in
company
undertakings
£

Cost and net book value

At 30 September 2013 and 30 September 2014

3,850,414

Investments in Company undertakings are recorded at cost, which is the fair value of the consideration paid.

The directors consider the value of investments to be supported by their underlying assets.

Principal subsidiaries

Name	Country of incorporation	Proportion of ordinary shares	Nature of business
Arrow Industrial Group Limited	UK	100%	Manufacture of industrial doors
Arrow Industrial Limited	UK	100%	Dormant
Arrow Rapid Roll Doors Limited	UK	100%	Dormant

The Company also holds 100% of the deferred ordinary shares issued by Arrow Industrial Group Limited.

Arrow Industrial Limited and Arrow Rapid Roll Doors Limited are subsidiaries of Arrow Industrial Group Limited.

The proportion of the voting rights in the subsidiary companies do not differ from the proportion of ordinary shares held.

The aggregate capital and reserves of the subsidiaries are as follows:

	2014 £	2013 £
Arrow Industrial Group Limited	3,905,189	3,520,101
Arrow Industrial Limited	1,000	1,000
Arrow Rapid Roll Doors Limited	1,000	1,000

Arrow Industrial Group Limited reported a profit for the year of £665,088 (2013 - £410,205).

Arrow Industrial Limited and Arrow Rapid Roll Doors Limited were dormant during the years ended 30 September 2014 and 2013.

Arrow Industrial Holdings Limited and all of its subsidiary companies are subject to cross-guarantee arrangements dated 31 October 2002 with Barclays Bank plc. There are currently nil liabilities (2013 - £209,681) associated with these guarantees, in relation to invoice discounting facilities.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (continued)

9 Investment in associates

	£
Cost and net book value	
At 1 October 2013	200,000
Additions in the year	-
	<hr/>
At 30 September 2014	200,000
	<hr/>

Investments in company undertakings are recorded at cost, which is the fair value of the consideration paid. The directors consider the value of investments to be supported by their underlying assets.

Name	Country of incorporation	Proportion of ordinary shares	Nature of business
Advanced Doors Holdings Limited	UK	26.32%	Manufacture of industrial doors

Aggregated amounts relating to associates are as follows:

	2014 £
Total assets	3,087,952
Total liabilities	2,445,976
Revenues	6,494,427
Profit	265,083
	<hr/>

10 Other receivables

	2014 £	2013 £
<i>Non-current</i>		
Other receivables	611,523	609,473
	<hr/>	<hr/>

Other receivables consist of amounts due from Arrow Industrial Group Limited. There is no formal repayment plan in respect of these balances except that the Company has agreed that it will not demand repayment of these balances for a period of at least 12 months from the end of the accounting period to which these financial statements relate. The loan is non-interest bearing.

The fair value of trade and other receivables at 30 September 2014 is £611,523 (2013 - £609,473).

11 Ordinary shares

	Number of shares	Ordinary shares £
At 30 September 2013 and 30 September 2014	95,000	95,000
	<hr/>	<hr/>

The total authorised number of ordinary shares is 95,000 (2013 - 95,000) with a par value of £1 per share (2013 - £1 per share). All of the ordinary shares issued are fully paid (2013 - 95,000).

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

12 Reserves

	Retained earnings £
At 30 September 2012	45,534
Profit for the year	2,050
	<hr/>
At 30 September 2013	47,584
Profit for the year	2,050
	<hr/>
At 30 September 2014	49,634
	<hr/>

13 Other payables

	2014 £	2013 £
<i>Current</i>		
Accrued expenses	14,803	14,803
	<hr/>	<hr/>

Accrued expenses solely related to amounts accrued in respect of unpaid dividends on redeemable preference shares.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

14 Borrowings

	Number of shares			Value			Total £
	'A' preference Number	'B' preference Number	'C' preference Number	'A' preference £	'B' preference £	'C' preference £	
At 30 September 2012	2,650,000	390,000	1,462,500	2,650,000	390,000	1,462,500	4,502,500
Reclassification of shares	-	-	-	-	-	-	-
At 30 September 2013	2,650,000	390,000	1,462,500	2,650,000	390,000	1,462,500	4,502,500
Reclassification of shares	-	-	-	-	-	-	-
At 30 September 2014	2,650,000	390,000	1,462,500	2,650,000	390,000	1,462,500	4,502,500

All preference shares have a par value of £1 (2013 - £1) per share and are all fully paid (2013 - £4,502,500).

During the prior year, the company reclassified 1,462,500 'B' preference shares with a value of £1,462,500 to 'C' preference shares, thereby creating a new class of shares. These shares rank pari-passu with 'B' preference shares. In addition the coupon rate on 'A' and 'C' preference shares was reduced from 8% to 6% in accordance with the special resolution dated 13 September 2013. 'B' preference shares continue to carry a fixed dividend rate of 8%. All dividends accrue on a daily basis and are payable quarterly.

In accordance with the Articles of Association of the Company, holders of the 'A' preference shares rank in priority to receive any returns of capital on a reduction of share capital. Class 'A' and 'C' preference shares are due to Portchester Equity Limited. Class 'B' preference shares are due to N Oliver, a director of the company.

The holders of the preference shares are also entitled to 5% of the value of any dividend paid to ordinary share holders.

The holders of all classes of preference shares are not entitled to receive notice of, or attend and vote at any general meeting of the Company unless the business of the meeting includes a resolution for any of the following matters:

- to wind up or dissolve the company,
- to repay or reduce the share capital of the company, or
- to vary or sabotage any of the class rights attached to the preference shares

The shares can be redeemed at the shareholders request. The carrying value of the preference shares approximates their fair value.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

15 Financial instruments

a) By category

Loans and receivables

	2014 £	2013 £
Other receivables	611,523	609,473

Financial liabilities at amortised cost

	2014 £	2013 £
Borrowings	4,502,500	4,502,500
Other payables	14,803	14,803
	<u>4,517,303</u>	<u>4,517,303</u>

b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade and other receivables

Trade receivables are due from the subsidiary company and as such the balance is considered to be wholly recoverable.

16 Finance costs

	2014 £	2013 £
Finance expense:		
On redeemable preference shares	277,950	277,950
Dividend waiver	-	-
	<u>277,950</u>	<u>277,950</u>

The dividends accruing on the redeemable preferences shares in 2014 and 2013 were £277,950 (£0.06 per share) and £277,950 (£0.06 per share) respectively.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

17 Cash generated from operations

	2014 £	2013 £
Profit before tax	2,050	2,050
Adjustments for:		
Dividends from subsidiary companies	(280,000)	(280,000)
Finance costs - redeemable preference share dividends paid	277,950	277,950
	<hr/>	<hr/>
Cash generated from operations	-	-
	<hr/>	<hr/>

18 Contingencies

At 30 September 2014 the Company had outstanding indemnities to Barclays Bank plc amounting to £70,000 (2013 - £70,000) in respect of a bond to HM Revenue and Customs.

19 Commitments

(a) Capital commitments

The Company had no outstanding commitments to acquire capital equipment (2013 - £Nil) at the year end.

(b) Lease commitments

The Company had no non-cancellable operating leases (2013 - £Nil) at the year end.

20 Related party transactions

Key management compensation

The directors are considered to be the only key management of the business. The directors received no (2013 - £Nil) compensation in respect of services provided to this company during the year (see note 5).

Dividends received and group balances

During the year the company received dividends of £280,000 from its wholly owned subsidiary, Arrow Industrial Group Limited. An amount of £611,523 is due from them as at 30 September 2014.

Arrow Industrial Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2014 (*continued*)

20 Related party transactions (*continued*)

Preference dividends

During the year the company paid preference share dividends to shareholders as follows:

	Paid in the year £	Accrued as at 30/9/2014 £
Portchester Equity Limited	253,874	13,521
N B Oliver	24,076	1,282
	<hr/>	<hr/>
	277,950	14,803
	<hr/>	<hr/>

Both Portchester Equity Limited and N B Oliver are holders of ordinary shares of the company and N B Oliver is an active director.

Borrowings

During the year the company held preference share liabilities as disclosed in Note 14.

21 Ultimate controlling party

The immediate and ultimate parent company is Portchester Equity Limited, a private company incorporated in the UK. The largest and smallest company in which the results of the Company are consolidated is that headed by Portchester Equity Limited. Copies of these financial statements can be obtained from 20 Jewry Street, Winchester, Hampshire, SO23 8RZ.

The directors recognise M E Thistlethwayte as the ultimate controlling party by virtue of his majority holding in the ordinary shares of Portchester Equity Limited.