

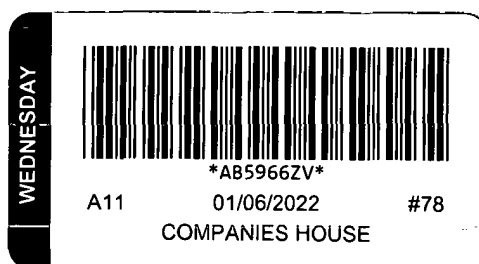
# **Arrow Industrial Holdings Limited**

Report and Financial Statements

Year Ended

30 September 2021

Company Number 06407922



# Arrow Industrial Holdings Limited

## Report and financial statements for the year ended 30 September 2021

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### Directors

M E Thistlethwayte  
D C Harbord  
R J D Colver  
M T Burton

### Registered office

Unit 1 Park Mill Way, Clayton West, Huddersfield, HD8 9XJ.

### Company number

06407922

### Auditor

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

# Arrow Industrial Holdings Limited

## Strategic Report for the year ended 30 September 2021

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The directors present their Annual Report together with the audited financial statements for the year ended 30 September 2021.

### Review of business

The Company is a holding Company and controls its trading subsidiary undertaking, Arrow Industrial Group Limited. The Directors consider the financial position and performance of the Company to be satisfactory.

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

### Principal risks and uncertainties

The Directors are of the opinion that the principal risk that the Company's subsidiary faces is the economic risk and the difficult trading conditions which may continue within the market.

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the Company.

### Financial risk management

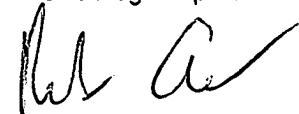
The Company's operations may expose it to a variety of financial risks. These are discussed further in note 3 to the financial statements.

### Future developments

The Directors anticipate that the Company will continue as a holding Company and will not trade.

### Approval

This strategic report was approved by order of the Board on 9 December 2021.



R J D Colver  
Director

# Arrow Industrial Holdings Limited

## Report of the Directors for the year ended 30 September 2021

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The directors present their Annual Report together with the audited financial statements for the year ended 30 September 2021.

### Directors

The directors of the Company during the year were:

M E Thistlethwayte	
N B Oliver	(Resigned 7 May 2021)
D C Harbord	
R J D Colver	(Appointed 18 May 2021)
M T Burton	(Appointed 18 May 2021)

The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### Strategic report

The information on likely future developments is not shown in the Directors' Report as it is shown in the Strategic Report in accordance with s414C(ii) of the Companies Act 2006.

### Results and dividends

The Statement of Comprehensive Income is set out on page 7 and shows the Company's profit for the year.

During the year ordinary share dividends of £nil (2020 - £nil) have been paid. Dividends paid on redeemable preference shares of £277,800 (2020 - £277,950) have been charged as finance costs.

### 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.

# Arrow Industrial Holdings Limited

## Report of the Directors for the year ended 30 September 2021

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### Directors' responsibilities

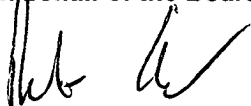
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

### 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.

Saffery Champness LLP have expressed their willingness to continue in office.

### On behalf of the Board



R J D Colver  
Director

9 December 2021

# Arrow Industrial Holdings Limited

## Independent Auditor's Report to the members of Arrow Industrial Holdings Limited

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### Opinion

We have audited the financial statements of Arrow Industrial Holdings Limited for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and its profit for the year then ended;
- have been prepared in accordance with IAS in conformity with requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

# Arrow Industrial Holdings Limited

## Independent Auditor's Report to the members of Arrow Industrial Holdings Limited

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

# Arrow Industrial Holdings Limited

## Independent Auditor's Report to the members of Arrow Industrial Holdings Limited

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Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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.



.....  
Jamie Lane (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors

Midland House  
2 Poole Road  
Bournemouth  
Dorset  
BH2 5QY

14 December 2021



# Arrow Industrial Holdings Limited

## Statement of Comprehensive Income for the year ended 30 September 2021

	Note	2021 £	2020 £
<b>Revenue</b>			
Dividends received from subsidiary companies		277,800	277,950
Administrative expenses		-	-
<b>Operating profit/(loss)</b>		<u>277,800</u>	<u>277,950</u>
Finance costs – redeemable preference share dividends	8	(277,800)	(277,950)
<b>Profit/(loss) before tax</b>		<u>-</u>	<u>-</u>
Tax expense	9	-	-
<b>Profit/(loss) for the year from continuing operations</b>		<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year</b>		<u>-</u>	<u>-</u>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company		<u>-</u>	<u>-</u>

The Company has no other items of comprehensive income and as such the Statement of Comprehensive Income for the year agrees to the profit/(loss) for the year.

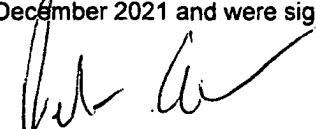
The notes on pages 10 to 23 form part of these financial statements.

# Arrow Industrial Holdings Limited

## Statement of Financial Position at 30 September 2021

<b>Company number 06407922</b>	<b>Note</b>	<b>2021 £</b>	<b>2021 £</b>	<b>2020 £</b>	<b>2020 £</b>
<b>Assets</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	10	4,350,414			4,350,414
		<u>          </u>			<u>          </u>
<b>Total Non-current assets</b>		<b>4,350,414</b>			<b>4,350,414</b>
		<u>          </u>			<u>          </u>
<b>Current assets</b>					
Trade and other receivables	11	1,111,800		1,111,800	
		<u>          </u>	1,111,800	<u>          </u>	1,111,800
			<u>          </u>		<u>          </u>
<b>Total assets</b>			<b>5,462,214</b>		<b>5,462,214</b>
			<u>          </u>		<u>          </u>
<b>Equity attributable to equity holders</b>					
Ordinary share capital	12	95,000		95,000	
Retained earnings	13	(405,816)		(405,816)	
		<u>          </u>		<u>          </u>	
<b>Total equity</b>			<b>(310,816)</b>		<b>(310,816)</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings – Redeemable preference shares	14	4,502,500		4,502,500	
		<u>          </u>		<u>          </u>	
<b>Total Non-current liabilities</b>			<b>4,502,500</b>		<b>4,502,500</b>
			<u>          </u>		<u>          </u>
<b>Current liabilities</b>					
Other payables	15	1,270,530		1,270,530	
		<u>          </u>	1,270,530	<u>          </u>	1,270,530
			<u>          </u>		<u>          </u>
<b>Total liabilities</b>			<b>5,773,030</b>		<b>5,773,030</b>
			<u>          </u>		<u>          </u>
<b>Total equity and liabilities</b>			<b>5,462,214</b>		<b>5,462,214</b>
			<u>          </u>		<u>          </u>

The financial statements on pages 7 to 23 were approved and authorised for issue by the Board of Directors on 9 December 2021 and were signed on its behalf by:



R J D Colver  
Director

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 2021

	Ordinary share capital £	Retained earnings £	Total £
Balance at 30 September 2019	95,000	(405,816)	(310,816)
<b>Comprehensive income</b>			
Profit/(loss) for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income/(loss)</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2020</b>	<b>95,000</b>	<b>(405,816)</b>	<b>(310,816)</b>
<b>Comprehensive income</b>			
Profit/(loss) for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2021</b>	<b>95,000</b>	<b>(405,816)</b>	<b>(310,816)</b>
	<hr/>	<hr/>	<hr/>

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 2021

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### 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 United Kingdom. The registered office is located at Unit 1 Park Mill Way, Clayton West, Huddersfield, HD8 9XJ.

### 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*

The financial statements have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with those IFRS standard and IFRIC interpretations is issued and effective of issued and early adopted as at the time of preparing these statements. The policies set out below have been consistently applied to all periods presented.

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.

These separate financial statements contain information about Arrow Industrial Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, Portchester Equity Limited, a Company incorporated in the United Kingdom. Copies of the financial statements of the ultimate parent are available from Portchester Equity Limited, 20 Jewry Street, Winchester, Hampshire, SO23 8RZ.

#### *Cash flow statement*

The Company does not maintain a bank account, and all transactions are through an inter-company account. Accordingly, no cashflow statement is presented.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 2 Accounting policies

#### *New accounting standards, interpretations and future accounting developments*

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union:

<b>Standard</b>	<b>Effective date, annual period beginning on or after</b>
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Covid 19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 Leases)	1 April 2021
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Annual improvements 2018-2020 cycle	1 January 2022
Classification of Liabilities as Current or Non-Current: amendments to IAS 1	1 January 2023
IFRS 17 - Insurance Contracts	1 January 2023
Amendments to IFRS 17 - Insurance Contracts; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 Insurance Contracts)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	1 January 2023

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

#### *Revenue*

The Company receives dividends from its subsidiary Company. These are recognised as revenue when the Company becomes entitled to receive such dividends.

#### *Going concern*

The directors have assessed that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at costs less impairment. Cost also includes direct attributable costs of investment.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

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### 2 Accounting policies

#### *Foreign currency translation*

##### *(a) Functional and presentation currency*

The functional and presentation currency of the Company is Pounds Sterling. Monetary values in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency 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.

#### *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' and cash balances in the Statement of Financial Position.

##### *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.

##### *Recognition and measurement*

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are carried at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of the interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Group and other receivables*

Receivables are amounts due from group companies. They are due for settlement on demand and are therefore all classified as current. Receivables are recognised initially at the amount of the consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 3(b).

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

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### 2 Accounting policies

#### *Share capital*

Ordinary shares are classified as equity. Mandatorily 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.

#### *Trade and other payables*

Trade and 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 cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of 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 comprehensive income as interest expense.

#### *Current and deferred income tax*

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively 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.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated 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.

#### *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 shareholders or in the case of cumulative preference share dividends, the period in which the Company becomes contractually obliged to pay a dividend to shareholders.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

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### 3 Financial risk management

#### *Financial risk factors*

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Company's overall risk management programme focuses on the unpredictability of the markets in which it operates and seeks to minimise associated volatility of the Company's financial performance. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size and nature of the Company, the directors have delegated the responsibility of monitoring financial risk management to the board of each trading entity. The policies set by the Company board of directors are implemented by trading entities directors.

#### *(a) Interest rate cash flow risk*

The Company has interest bearing liabilities. Interest bearing liabilities include preference shares which attract interest at fixed rates.

#### *(b) Credit risk*

The Company's activities expose it to financial risks, including credit risk. The Company's credit risk is primarily attributable to its trade receivables.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over the previous 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Management considered the expected loss allowance at the reporting date to be immaterial.

#### *(c) Capital risk management*

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

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 optimum capital structure to reduce the cost of capital.



# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 3 Financial risk management

#### *(c) Capital risk management (continued)*

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 consider the current management of capital to be satisfactory.

#### *(d) 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 £	Between 1 and 5 Years £	Over 5 years £
<b>At 30 September 2021</b>			
Amounts owed to group undertakings	1,141,869	-	-
Other payables	128,661	-	-
Redeemable preference shares	-	4,502,500	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 30 September 2020</b>			
Amounts owed to group undertakings	1,141,869	-	-
Other payables	128,661	-	-
Redeemable preference shares	-	4,502,500	-
	<u>          </u>	<u>          </u>	<u>          </u>

#### *(e) Market risk*

Market risk is not considered to be applicable as the Company does not trade. The factors which affect the Market risk of the Company's subsidiary undertaking, Arrow Industrial Group Limited, are described above.

#### *(f) Investment impairment risk*

The entity manages the risk of the value of the investment in its subsidiary undertakings, principally Arrow Industrial Group Limited.

The operations of Arrow Industrial Group Limited expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk and the directors of the group's overall risk managements programme focuses on the unpredictability of the markets in which it operates and seeks to minimize associated volatility of Arrow Industrial Group Limited's financial performance.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 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 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 are addressed below.

There have been no significant critical accounting estimates or judgements made in the preparation of these financial statements.

### 5 Employee benefit expense

The Company did not incur any expenses in connection with employment during the year (2020 - £nil).

The average monthly number of persons (including executive directors) employed during the year was nil (2020 – nil).

The number of employees at 30 September 2021 was nil (2020 – nil).

### 6 Directors' emoluments

The directors are considered to be the only key management personnel of the Company. The directors did not receive any emoluments in respect of their services to the Company (2020 - £nil).

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

### 7 Auditor's remuneration

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

### 8 Finance income and costs

	2021 £	2020 £
Finance costs:		
On preference shares	277,950	277,950

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 9 Tax expense

	2021 £	2020 £
<i>Current tax</i>		
Current tax on profit for the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of temporary timing differences	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/>	<hr/>

Income tax for the UK is calculated at the standard rate of UK corporation tax of 19% (2020: 19%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:-

	2021 £	2020 £
Profit/(loss) before tax	-	-
	<hr/>	<hr/>
Tax calculated at domestic tax rates applicable 19% (2020 – 19%)	-	-
Effects of:		
Expenses not deductible for tax purposes	-	-
	<hr/>	<hr/>
Total tax charge	-	-
	<hr/>	<hr/>

In March 2021, the Chancellor announced that the corporation tax rate would increase to 25% in the year 2023. This rate was substantively enacted on the 24 May 2021 and has been used in the measurement of deferred tax.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 10 Investments in subsidiaries

	Shares in group undertakings £
At 30 September 2019	
Cost	4,750,414
Accumulated impairment	(400,000)
	<hr/>
Net investment at 30 September 2019	4,350,414
Impairment	-
	<hr/>
Net investment at 30 September 2020	4,350,414
Impairment	-
	<hr/>
Net investment 30 September 2021	4,350,414
	<hr/>

Shares in group 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 and expected future trading prospects.

The Company had the following subsidiaries at 30 September 2021.

#### Principal subsidiaries

Name	Registered office	Proportion of ordinary shares	Nature of business
Arrow Industrial Group Limited	1	100%	Manufacture of industrial doors
Arrow Industrial Limited	1	100%	Dormant
Advanced Doors Limited	1	100%	Dormant
Advanced Doors 2017 Limited	1	100%	Dormant

1 Parkmill Way, Clayton West Industrial Estate, Huddersfield, West Yorkshire, HD8 9XJ

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

Arrow Industrial Limited and Advanced Doors Limited are subsidiaries of Arrow Industrial Group Limited and are not subject to audit.

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

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 11 Trade and other receivables

	2021 £	2020 £
Amounts owed by group undertakings	1,111,800	1,111,800
Total current trade and other receivables	1,111,800	1,111,800

The fair value of trade and other receivables at 30 September 2021 approximate to the book value stated above.

### 12 Ordinary shares

	Number of shares	Ordinary Shares £
At 30 September 2020 and 30 September 2021	95,000	95,000

The total authorised number of ordinary shares is 95,000 (2020 – 95,000) with a par value of £1 per share (2020 - £1 per share). All of the ordinary shares are fully paid.

The ordinary shares do not carry a right to dividends except those recommended by the directors.

### 13 Reserves

#### *Retained earnings*

The retained earnings represent cumulative net gains and losses recognised in the Statement of Comprehensive Income.

### 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 2020 and 2021	2,650,000	390,000	1,462,500	2,650,000	390,000	1,462,500	4,502,500

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 14 Borrowings

All preference shares have a par value of £1 (2020 - £1) and are all fully paid.

Class 'C' preference shares rank pari-passu with 'B' preference shares. The coupon rate on 'A' and 'C' preference shares is 6% while 'B' preference shares 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 former director of the Company. The holders of the preference shares are also entitled to 5% of the value of any dividend paid to ordinary shareholders.

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 anyone 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 shareholder's request. The carrying value of the preference shares approximate their fair value.

### 15 Trade and other payables

	2021 £	2020 £
<i>Current</i>		
Amounts owed to group undertakings	1,141,869	1,141,869
Accrued expenses	128,661	128,661
	<u>1,270,530</u>	<u>1,270,530</u>

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

Amounts owed to related undertakings consist of amounts due to Portchester Equity Limited and Arrow Industrial Group Limited. There is no formal repayment plan in respect of these balances. The loan is non-interest bearing.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 16 Financial instruments

#### a) By category

	Loans and receivables	
	2021 £	2020 £
Amounts owed by group undertakings	1,111,800	1,111,800
	<u>1,111,800</u>	<u>1,111,800</u>
	<u>1,111,800</u>	<u>1,111,800</u>
<i>Financial liabilities at amortised cost</i>		
	2021 £	2020 £
Borrowings	4,502,500	4,502,500
Trade and other payables	1,270,530	1,270,530
	<u>5,773,030</u>	<u>5,773,030</u>
	<u>5,773,030</u>	<u>5,773,030</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.

##### *Receivables*

Receivables are due from the subsidiary Company and as such the balance is considered to be wholly recoverable.

# Arrow Industrial Holdings Limited

## Notes Forming Part of the Financial Statements for the year ended 30 September 2021

### 17 Reconciliation of borrowings

	2020	Cash flows	2021
Redeemable preference shares	4,502,400	-	4,502,400
Total liabilities from financing activities	4,502,400	-	4,502,400

### 18 Contingencies

At 30 September 2021 the Company had outstanding indemnities to Barclays Bank plc amounting to £70,000 (2020 - £70,000) in respect of a bond to HM Revenue and Customs.

Arrow Industrial Holdings Limited and Arrow Industrial Group Limited are subject to cross-guarantee arrangements dated 31 October 2002 with Barclays Bank plc. There are currently liabilities of £nil (2020 - £86,638) associated with these guarantees, in relation to invoice discounting facilities.

### 19 Related party transactions

#### *Key management compensation*

The directors are considered to be the only key management of the business. The directors received no compensation (2020 - £nil) in respect of services provided to this Company during the year (see note 7).

#### *Dividends received and group balances*

During the year the Company received dividends of £277,800 (2020 - £277,950) from its wholly owned subsidiary, Arrow Industrial Group Limited. An amount of £143,927 is due to them as at 30 September 2021 (2020 - £143,927)

#### *Preference dividends*

During the year the Company paid preference share dividend to shareholders as follows:

	Paid in the year	Accrued as at 30 September 2021
	£	£
Portchester Equity Limited	246,750	997,942
N B Oliver	31,200	113,858
	277,950	1,111,800

Preference share dividends of £997,942 were owed to Portchester Equity Limited at 30 September 2021 (2020 - £997,942).

Preference share dividends of £113,858 were owed to N B Oliver at 30 September 2021 (2020 - £113,858).

Both Portchester Equity Limited and N B Oliver are holders of both the ordinary shares and the preference shares of the Company and N B Oliver is an former director. Portchester Equity Limited is the Ultimate parent undertaking. During the year the Company held preference share liabilities as disclosed in note 14.



# **Arrow Industrial Holdings Limited**

## **Notes Forming Part of the Financial Statements for the year ended 30 September 2021**

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### **20 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.