

Registration number: 08589048

Arctic Shores Limited

"Filleled" Unaudited Financial Statements

for the Year Ended 31 March 2017

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Arctic Shores Limited

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Arctic Shores Limited

Company Information

Directors	R F J Newry S E Hammad S Smith
Registered office	Lowry House Marble Street Manchester M2 3AW
Accountants	Kreston Reeves LLP Springfield House Springfield Road Horsham West Sussex RH12 2RG

Arctic Shores Limited

(Registration number: 08589048)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	6,261	4,709
Current assets			
Debtors	5	129,247	24,033
Cash at bank and in hand		<u>262,877</u>	<u>113,894</u>
		392,124	137,927
Creditors: Amounts falling due within one year	6	<u>(168,573)</u>	<u>(45,887)</u>
Net current assets		<u>223,551</u>	<u>92,040</u>
Total assets less current liabilities		229,812	96,749
Creditors: Amounts falling due after more than one year	6	<u>(53,264)</u>	<u>(637,575)</u>
Net assets/(liabilities)		<u>176,548</u>	<u>(540,826)</u>
Capital and reserves			
Called up share capital	8	3	2
Share premium reserve		1,213,648	77,979
Profit and loss account		<u>(1,037,103)</u>	<u>(618,807)</u>
Total equity		<u>176,548</u>	<u>(540,826)</u>

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

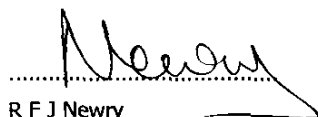
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the company has elected not to file the profit and loss account and directors' report.

Approved and authorised by the Board on 27/3/17 and signed on its behalf by:



R F J Newry
Director

The notes on pages 3 to 8 form an integral part of these financial statements.
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Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in United Kingdom.

The address of its registered office and principal place of business is:

Lowry House
Marble Street
Manchester
M2 3AW

Authorised for issue date

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This is the first year in which the financial statements have been prepared under FRS 102 Section 1A. Refer to note 12 for an explanation of the transition.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have prepared the financial statements using the going concern basis on the grounds that the directors and shareholders have undertaken to provide financial support, for the foreseeable future, being a period of not less than one year from the date of approval of these financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Tangible fixed assets are recorded at historical cost less accumulated depreciation. Cost comprises of the purchase price and any costs directly attributable to bringing the asset to its working condition and location for its intended use. Depreciation is provided at the following annual rates in order to write down the cost of each asset to its estimated residual value over its estimated useful life:

Asset class	Depreciation method and rate
Office equipment	2 years straight line
Computer Equipment	2 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors 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.

Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Convertible debt

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert. The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited directly to equity and is not subsequently remeasured. On conversion, the debt and equity elements are derecognised and the share capital and share premium is credited as appropriate. Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

The proceeds received on issue of the convertible debt are allocated into their liability and equity components and presented separately in the balance sheet.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 15 (2016 - 10).

Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

4 Tangible assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2016	332	8,225	8,557
Additions	<u>300</u>	<u>6,752</u>	<u>7,052</u>
At 31 March 2017	<u>632</u>	<u>14,977</u>	<u>15,609</u>
Depreciation			
At 1 April 2016	148	3,700	3,848
Charge for the year	<u>232</u>	<u>5,268</u>	<u>5,500</u>
At 31 March 2017	<u>380</u>	<u>8,968</u>	<u>9,348</u>
Carrying amount			
At 31 March 2017	<u>252</u>	<u>6,009</u>	<u>6,261</u>
At 31 March 2016	<u>184</u>	<u>4,525</u>	<u>4,709</u>

5 Debtors

	2017 £	2016 £
Trade debtors	100,171	-
Other debtors	<u>29,076</u>	<u>24,033</u>
Total current trade and other debtors	<u>129,247</u>	<u>24,033</u>

Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

6 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		23,094	11,240
Taxation and social security		18,262	10,188
Other creditors		19,404	14,024
Accruals and deferred income		<u>107,813</u>	<u>10,435</u>
		<u>168,573</u>	<u>45,887</u>
Due after one year			
Loans and borrowings	7	<u>53,264</u>	<u>637,575</u>

7 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Convertible debt	-	586,419
Other borrowings	<u>53,264</u>	<u>51,156</u>
	<u>53,264</u>	<u>637,575</u>

Convertible debt was the present value of 2 convertible loans with a value of £275,000 each which were issued in April and September 2015 respectively.

The fixed rate secured convertible loan notes were a fixed and floating charge over the undertaking for all property and assets.

Both of these were converted in full in May 2016.

8 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary shares of £0.000001 each	<u>2,976,372</u>	<u>3</u>	<u>2,169,521</u>	<u>2</u>

Arctic Shores Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

9 Related party transactions

Key management compensation

	2017	2016
	£	£
Salaries and other short term employee benefits	<u>100,000</u>	<u>65,000</u>

10 Controlling party

The ultimate controlling party is S E Hammad and R F J Newry.

11 Share-based payment transactions

Arctic Shores Limited Enterprise Management Share Option Scheme

The company has an Enterprise Management Investment Scheme for certain employees.

Under this Scheme options are subject to a 50 month exercise period from 26 June 2014. 1 employee of the Company has been granted share options under this Scheme. The weighted average exercise price is £0.46.

	2016
	Number
Outstanding, start of period	80,000
Outstanding, end of period	<u>80,000</u>

12 Transition to FRS 102

This is the first year that the company has presented its financial statements under FRS 102 Section 1A. The company has applied Section 35 'Transition to this FRS', of FRS 102 in preparing these financial statements. The last financial statements for the year ended 31 March 2016 we prepared under the previous Financial Reporting Standards and the transition date to FRS 102 Section 1A is therefore 1 April 2015.

In adopting FRS 102 Section 1A there have been no changes to the company's reported reserves.