

ARTHUR RACKHAM LIMITED**UNAUDITED****DIRECTORS' REPORT AND FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2017**

ARTHUR RACKHAM LIMITED
REGISTERED NUMBER:09221112

BALANCE SHEET
AS AT 31 MAY 2017

	Note	2017 £	2016 £
Current assets			
Stocks	4	2,736,920	2,504,185
Debtors: amounts falling due within one year	5	234,379	268,773
Cash at bank and in hand		287,184	419,563
		<u>3,258,483</u>	<u>3,192,521</u>
Creditors: amounts falling due within one year	6	(3,097,159)	(214,060)
Net current assets		<u>161,324</u>	<u>2,978,461</u>
Total assets less current liabilities		<u>161,324</u>	<u>2,978,461</u>
Creditors: amounts falling due after more than one year	7	-	(2,963,336)
Net assets		<u><u>161,324</u></u>	<u><u>15,125</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		161,323	15,124
		<u><u>161,324</u></u>	<u><u>15,125</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Dr C R Beetles
 Director

14/9/17

ARTHUR RACKHAM LIMITED
REGISTERED NUMBER:09221112

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2017

The notes on pages 3 to 6 form part of these financial statements.

ARTHUR RACKHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

1. General information

Arthur Rackham Limited is a private company limited by shares incorporated in England. The principal place of business is 8-10 Ryder Street, St James, London SW1Y 6QB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentation currency of the company is sterling (£) and the accounts are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell, making due allowance for slow moving and obsolete stock.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

2. Accounting policies (continued)

2.5 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

ARTHUR RACKHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)**2.8 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

4. Stocks

	2017 £	2016 £
Goods for resale	<u>2,736,920</u>	<u>2,504,185</u>
	<u><u>2,736,920</u></u>	<u><u>2,504,185</u></u>

Stock recognised in cost of sales during the year as an expense was £399,192 (2016 - £368,665).

5. Debtors

	2017 £	2016 £
Trade debtors	<u>234,379</u>	<u>268,773</u>
	<u><u>234,379</u></u>	<u><u>268,773</u></u>

ARTHUR RACKHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	76,159	157,727
Amounts owed to group undertakings	2,959,446	-
Corporation tax	49,631	20,824
Other taxation and social security	3,511	8,600
Accruals and deferred income	8,412	26,909
	<u>3,097,159</u>	<u>214,060</u>

7. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	-	2,963,336
	<u>-</u>	<u>2,963,336</u>

8. Related party transactions

At the balance sheet date the company owed £2,959,446 (2016 - £2,963,336) to Chris Beetles Holdings Limited, the parent company, of which Dr C R Beetles and B D Meaden are directors and shareholders.

Management fees of £294,422 (2016 - £170,295) were payable to Chris Beetles Limited, a company of which Dr C R Beetles is a director. The amount due to that company at the balance sheet date was £55,209 (2016 - £124,591).

At the balance sheet date the company was owed £26,553 (2016 - £72,393) by Beetles and Huxley Limited, a company in which Dr C R Beetles is a director.

9. Controlling party

The parent company is Chris Beetles Holdings Limited, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ. The ultimate controlling party is Dr C R Beetles, a director of the company.

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.