

Company Registration No. SC021727 (Scotland)

ARW TRANSFORMERS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
PAGES FOR FILING WITH REGISTRAR

ARW TRANSFORMERS LTD

COMPANY INFORMATION

Directors	M McVitie S Wootton
Secretary	M McVitie
Company number	SC021727
Registered office	Block 1 Units 3 & 4 Thornliebank Industrial Estate Glasgow United Kingdom G46 8JF
Accountants	Azets Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF
Bankers	Bank of Scotland 54-62 Sauchiehall Street Glasgow G2 3AH
Solicitors	Holmes Mackillop 109 Douglas Street Blythwood Square Glasgow United Kingdom G2 4HB

ARW TRANSFORMERS LTD

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ARW TRANSFORMERS LTD

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		548,624		544,801
Current assets					
Stocks	4	671,859		591,221	
Debtors	5	1,403,121		752,290	
Cash at bank and in hand		948,325		1,272,065	
		<u>3,023,305</u>		<u>2,615,576</u>	
Creditors: amounts falling due within one year	6	<u>(673,453)</u>		<u>(466,867)</u>	
Net current assets			2,349,852		2,148,709
Total assets less current liabilities			<u>2,898,476</u>		<u>2,693,510</u>
Provisions for liabilities			<u>(38,639)</u>		<u>(22,480)</u>
Net assets			<u>2,859,837</u>		<u>2,671,030</u>
Capital and reserves					
Called up share capital			220		220
Share premium account	7		22,697		22,697
Revaluation reserve	8		339,829		325,619
Capital redemption reserve	9		5,243		5,243
Profit and loss reserves	10		2,491,848		2,317,251
Total equity			<u>2,859,837</u>		<u>2,671,030</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

ARW TRANSFORMERS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 9 June 2022 and are signed on its behalf by:

M McVitie
Director

Company Registration No. SC021727

ARW TRANSFORMERS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

ARW Transformers Ltd is a private company limited by shares incorporated in Scotland. The registered office is Block 1 Units 3 & 4, Thornliebank Industrial Estate, Glasgow, United Kingdom, G46 8JF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on valuation
Plant and equipment	10%, 20% and 33% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

ARW TRANSFORMERS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ARW TRANSFORMERS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ARW TRANSFORMERS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	48	47

3 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2020	420,000	812,037	87,117	1,319,154
Additions	-	23,628	-	23,628
Disposals	-	(4,913)	(18,887)	(23,800)
At 31 October 2021	420,000	830,752	68,230	1,318,982
Depreciation and impairment				
At 1 November 2020	33,600	673,513	67,241	774,354
Depreciation charged in the year	8,400	44,511	8,893	61,804
Eliminated in respect of disposals	-	(4,913)	(18,887)	(23,800)
Revaluation	(42,000)	-	-	(42,000)
At 31 October 2021	-	713,111	57,247	770,358
Carrying amount				
At 31 October 2021	420,000	117,641	10,983	548,624
At 31 October 2020	386,400	138,525	19,876	544,801

Land and buildings with a carrying amount of £420,000 were revalued at 6 October 2021 by Graham & Sibbald, independent valuers not connected with the company on the basis of market value.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £57,688 (2020 - £60,781), being cost £154,671 (2020 - £154,671) and depreciation £96,983 (2020 - £93,890).

ARW TRANSFORMERS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

4 Stocks

	2021 £	2020 £
Stocks	671,859	591,221

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,335,634	696,988
Other debtors	67,487	55,302
	1,403,121	752,290

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Obligations under finance leases	-	3,098
Payments received on account	15,148	-
Trade creditors	460,710	229,825
Corporation tax	49,243	121,320
Other taxation and social security	98,558	71,090
Other creditors	15,006	8,469
Accruals and deferred income	34,788	33,065
	673,453	466,867

The bank have standard security over the land and buildings owned by the company as well as a bond and floating charge granted over the whole assets of the company.

7 Share premium account

The share premium account includes any amounts paid by shareholders above the nominal value of the shares purchased.

8 Revaluation reserve

The revaluation reserve includes the revaluation adjustments in relation to the freehold property.

9 Capital redemption reserve

The capital redemption reserve includes the nominal value of shares repurchased by the company.

10 Profit and loss reserves

The profit and loss account includes all current and prior year retained profits or losses.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.