

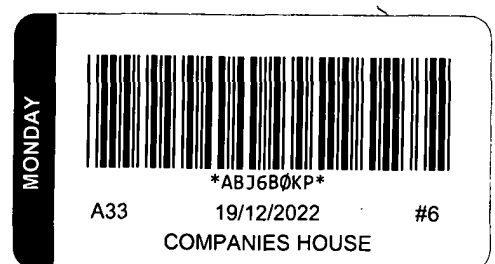
Registered number: 01385669

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**ARNO GB LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



**ARNO GB LIMITED**  
**REGISTERED NUMBER: 01385669**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	5	13,425	47,368
Tangible assets	6	2,117,773	2,162,146
		<u>2,131,198</u>	<u>2,209,514</u>
<b>Current assets</b>			
Stocks	7	219,551	184,205
Debtors: amounts falling due within one year	8	2,802,612	565,769
Cash at bank and in hand	9	177,008	11,715
		<u>3,199,171</u>	<u>761,689</u>
Creditors: amounts falling due within one year	10	(4,674,517)	(1,478,274)
<b>Net current liabilities</b>		<u>(1,475,346)</u>	<u>(716,585)</u>
<b>Total assets less current liabilities</b>		<u>655,852</u>	<u>1,492,929</u>
Creditors: amounts falling due after more than one year	11	(1,948,434)	(1,754,272)
<b>Net liabilities</b>		<u>(1,292,582)</u>	<u>(261,343)</u>
<b>Capital and reserves</b>			
Called up share capital	12	80,000	80,000
Share premium account		2,506	2,506
Capital redemption reserve		12,049	12,049
Profit and loss account		(1,387,137)	(355,898)
		<u>(1,292,582)</u>	<u>(261,343)</u>

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 23<sup>rd</sup> November 2022

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**ARNO GB LIMITED**  
**REGISTERED NUMBER:01385669**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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M D E Jones  
Director

The notes on pages 4 to 13 form part of these financial statements.

**ARNO GB LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2020	80,000	2,506	12,049	912,177	1,006,732
Comprehensive income for the year					
Loss for the year	-	-	-	(1,268,075)	(1,268,075)
Total comprehensive income for the year	-	-	-	(1,268,075)	(1,268,075)
At 1 January 2021	80,000	2,506	12,049	(355,898)	(261,343)
Comprehensive income for the year					
Loss for the year	-	-	-	(1,031,239)	(1,031,239)
Total comprehensive income for the year	-	-	-	(1,031,239)	(1,031,239)
At 31 December 2021	80,000	2,506	12,049	(1,387,137)	(1,292,582)

The notes on pages 4 to 13 form part of these financial statements.

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## ARNO GB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

Arno GB Limited is a limited liability company incorporated in England and Wales. Its registered office is located at Victorian House, Coronation Road, Bristol, BS3 1AA.

#### 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 following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed. It is at this point that the Company is considered to have transferred the risks and rewards of ownership to the buyer.

##### 2.3 Going concern

The company incurred a loss for the year of £1,267,538 and had net current liabilities of £1,544,487 including net bank overdraft balances of £334,370.

The directors have prepared forecasts for the years ended 31 December 2022 and 2023, which show that the company requires ongoing group support in this period.

The ultimate holding company, Arno GmbH has continued to provide ongoing support and no matters have been drawn to the directors' attention to suggest access to additional finance may not be forthcoming and the directors have received formal confirmation from the ultimate holding company that further support will be available over the next 12 months from the date of sign off of these financial statements. In addition, the loan from the ultimate holding company has been subordinated. The company has secured numerous contracts for the upcoming 12 months and will continue to restructure their cost base to ensure costs are managed effectively going forward. For these reasons the directors continue to adopt the going concern basis in preparing these financial statements. Accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate.

##### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of 4 years. Amortisation is charged straight line over this period.

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## ARNO GB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2-5% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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## ARNO GB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.9 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short-term bank deposits with an original maturity of three months or less.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans and intercompany loans, which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable, which is ordinarily equal to the proceeds received net of any direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

##### 2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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## ARNO GB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.11 Foreign currency translation

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

##### 2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.13 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.15 Taxation

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.



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**ARNO GB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgments that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The key judgments and sources of estimation uncertainty in these financial statements are considered to be:

**Debtor valuation**

The trade debtors balance of £2,242,986 recorded in the company's balance sheet comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

**Depreciation**

The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their useful estimated lives. Changes in the estimated useful life of an asset are considered at each year end and updated prospectively where required.

**Going concern**

As detailed in Section 2.3, the company has prepared cash flow forecasts to support the adoption of the going concern basis. There is inherent judgment and estimation involved in determining the timing and quantum of future cash flows, and the actual future cash flows could be materially different to those being forecast.

**4. Employees**

The average monthly number of employees, including directors, during the year was 34 (2020 -37).

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ARNO GB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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5. Intangible assets

	Computer software £
Cost	
At 1 January 2021	353,316
At 31 December 2021	<u>353,316</u>
Amortisation	
At 1 January 2021	305,948
Charge for the year on owned assets	33,943
At 31 December 2021	<u>339,891</u>
Net book value	
At 31 December 2021	<u>13,425</u>
At 31 December 2020	<u>47,368</u>

**ARNO GB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	2,200,000	37,530	137,261	295,537	2,670,328
Additions	-	-	5,247	30,137	35,384
At 31 December 2021	<u>2,200,000</u>	<u>37,530</u>	<u>142,508</u>	<u>325,674</u>	<u>2,705,712</u>
<b>Depreciation</b>					
At 1 January 2021	56,411	37,530	131,574	282,667	508,182
Charge for the year on owned assets	56,411	-	3,637	19,709	79,757
At 31 December 2021	<u>112,822</u>	<u>37,530</u>	<u>135,211</u>	<u>302,376</u>	<u>587,939</u>
<b>Net book value</b>					
At 31 December 2021	<u>2,087,178</u>	<u>-</u>	<u>7,297</u>	<u>23,298</u>	<u>2,117,773</u>
At 31 December 2020	<u>2,143,589</u>	<u>-</u>	<u>5,687</u>	<u>12,870</u>	<u>2,162,146</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	2,087,178	2,143,589
	<u>2,087,178</u>	<u>2,143,589</u>

**7. Stocks**

	2021 £	2020 £
Finished goods and goods for resale	219,551	184,205
	<u>219,551</u>	<u>184,205</u>

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**ARNO GB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**8. Debtors**

	2021 £	2020 £
Trade debtors	2,242,986	195,185
Amounts owed by group undertakings	4,158	-
Other debtors	420,167	231,174
Prepayments and accrued income	135,301	139,410
	<u>2,802,612</u>	<u>565,769</u>

**9. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	177,008	11,715
Less: bank overdrafts	(511,378)	(533,303)
	<u>(334,370)</u>	<u>(521,588)</u>

**10. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank overdrafts	511,378	533,303
Trade creditors	636,337	306,276
Amounts owed to group undertakings	910,112	44,905
Other taxation and social security	298,070	227,162
Other creditors	574,895	74
Accruals and deferred income	1,743,725	366,554
	<u>4,674,517</u>	<u>1,478,274</u>

The bank borrowings above are secured on the company's freehold premises.

**ARNO GB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Amounts owed to group undertakings	1,948,434	1,754,272
	<u>1,948,434</u>	<u>1,754,272</u>

**12. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
80,000 (2020 - 80,000) Ordinary shares shares of £1.00 each	<u>80,000</u>	<u>80,000</u>

**13. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £78,376 (2020 - £72,627). Contributions totalling £12,578 (2020 - £11,678) were payable to the fund at 31 December 2020 and are included in creditors.

**14. Related party transactions**

	2021 £	2020 £
<b>Sales by Arno GB Limited</b>		
Arno GmbH	5,788	-
<b>Management charges and interest</b>		
Arno GmbH	101,919	1,343
<b>Purchases by Arno GB Limited</b>		
Arno GmbH	44,382	149,991
Arno Istanbul Sri	-	7,199
Arno Guangzhou	15,389	2,252
Arno OOO	-	53,580
<b>Net amount due to / (owed by) Arno GB Limited</b>		
Arno GmbH	(2,824,389)	(1,754,272)
Arno OOO	(15,231)	(42,231)
Arno Istanbul Sri	-	(422)
Arno Guangzhou	<u>(14,768)</u>	<u>(2,252)</u>

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ARNO GB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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15. Controlling party

The ultimate parent company is Arno GmbH, a company registered in Germany. There is not considered to be an ultimate controlling party of the company.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

**Emphasis of matter - reliance on group support**

We draw attention to note 2.3 of the financial statements, which explains that the financial statements have been prepared on a going concern basis with support from the ultimate holding company in place. Our opinion is not modified in respect of this matter.

The audit report was signed on *30 December 2022* by Nigel Hardy (Senior Statutory Auditor) on behalf of CLA Evelyn Partners Limited.