

REVISED

Registered number: 01385669

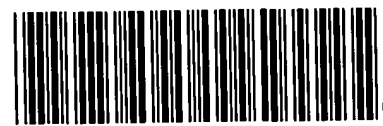
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**ARNO GB LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

WEDNESDAY  
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B12	29/09/2023	#213
	COMPANIES HOUSE	

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	5	-	13,425
Tangible assets	6	2,058,244	2,117,773
		<u>2,058,244</u>	<u>2,131,198</u>
<b>Current assets</b>			
Stocks	7	360,904	219,551
Debtors: amounts falling due within one year	8	1,164,582	2,802,612
Cash at bank and in hand	9	29,059	177,008
		<u>1,554,545</u>	<u>3,199,171</u>
Creditors: amounts falling due within one year	10	(3,564,513)	(4,674,517)
<b>Net current liabilities</b>		<u>(2,009,968)</u>	<u>(1,475,346)</u>
<b>Total assets less current liabilities</b>		<u>48,276</u>	<u>655,852</u>
Creditors: amounts falling due after more than one year	11	(2,450,606)	(1,948,434)
<b>Net liabilities</b>		<u>(2,402,330)</u>	<u>(1,292,582)</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		(2,496,885)	(1,387,137)
		<u>(2,402,330)</u>	<u>(1,292,582)</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 19/06/2023

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

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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Mike Jones  
Mike Jones (Jun 19, 2023 09:16 GMT+1)

**M D E Jones**  
Director

The notes on pages 4 to 12 form part of these financial statements.

**ARNO GB LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
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 1 January 2022	80,000	2,506	12,049	(1,387,137)	(1,292,582)
Comprehensive income for the year					
Loss for the year	-	-	-	(1,109,748)	(1,109,748)
Total comprehensive income for the year	-	-	-	(1,109,748)	(1,109,748)
At 31 December 2022	80,000	2,506	12,049	(2,496,885)	(2,402,330)

The notes on pages 4 to 12 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 2022

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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 £1,109,748 and had net current liabilities of £2,009,968 including net bank overdraft balances of £147,394.

The directors have prepared forecasts for the years ended 31 December 2023 and 2024, 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 2022

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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 reporting 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 2022

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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 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.

##### 2.11 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.

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## ARNO GB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.12 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.

##### 2.13 Interest income

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

#### 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 £429,937 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 (2021 - 34).



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ARNO GB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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5. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 January 2022	353,316
At 31 December 2022	<u>353,316</u>
<b>Amortisation</b>	
At 1 January 2022	339,891
Charge for the year on owned assets	13,425
At 31 December 2022	<u>353,316</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>-</u></u>
At 31 December 2021	<u><u>13,425</u></u>

**ARNO GB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	2,200,000	37,530	142,508	325,674	2,705,712
Additions	-	-	-	3,983	3,983
At 31 December 2022	<u>2,200,000</u>	<u>37,530</u>	<u>142,508</u>	<u>329,657</u>	<u>2,709,695</u>
<b>Depreciation</b>					
At 1 January 2022	112,822	37,530	135,211	302,376	587,939
Charge for the year on owned assets	56,408	-	3,342	3,762	63,512
At 31 December 2022	<u>169,230</u>	<u>37,530</u>	<u>138,553</u>	<u>306,138</u>	<u>651,451</u>
<b>Net book value</b>					
At 31 December 2022	<u>2,030,770</u>	<u>-</u>	<u>3,955</u>	<u>23,519</u>	<u>2,058,244</u>
At 31 December 2021	<u>2,087,178</u>	<u>-</u>	<u>7,297</u>	<u>23,298</u>	<u>2,117,773</u>

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

	2022 £	2021 £
Freehold	2,030,770	2,087,178
	<u>2,030,770</u>	<u>2,087,178</u>

**7. Stocks**

	2022 £	2021 £
Finished goods and goods for resale	360,904	219,551
	<u>360,904</u>	<u>219,551</u>

**ARNO GB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Debtors**

	2022 £	2021 £
Trade debtors	429,937	2,242,986
Amounts owed by group undertakings	4,158	4,158
Other debtors	9,252	420,167
Prepayments and accrued income	721,235	135,301
	<u>1,164,582</u>	<u>2,802,612</u>

**9. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	29,059	177,008
Less: bank overdrafts	(176,453)	(511,378)
	<u>(147,394)</u>	<u>(334,370)</u>

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

	2022 £	2021 £
Bank overdrafts	176,453	511,378
Trade creditors	405,788	636,337
Amounts owed to group undertakings	1,236,183	910,112
Other taxation and social security	74,852	298,070
Other creditors	10,530	574,895
Accruals and deferred income	1,660,707	1,743,725
	<u>3,564,513</u>	<u>4,674,517</u>

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

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**ARNO GB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Amounts owed to group undertakings	2,450,606	1,948,434
	<u>2,450,606</u>	<u>1,948,434</u>

**12. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
80,000 (2021 - 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 £94,294 (2021 - £78,376). Contributions totalling £10,456 (2021 - £12,578) were payable to the fund at 31 December 2022 and are included in creditors.

**14. Related party transactions**

	2022 £	2021 £
<b>Sales by Arno GB Limited</b>		
Arno GmbH	-	5,788
<b>Management charges and interest</b>		
Arno GmbH	39,300	101,919
<b>Purchases by Arno GB Limited</b>		
Arno GmbH	144,482	44,382
Arno Guangzhou	-	15,389
<b>Net amount due to / (owed by) Arno GB Limited</b>		
Arno GmbH	(3,631,281)	(2,824,389)
Arno OOO	(15,518)	(15,231)
Arno Istanbul Sri	(7,032)	-
Arno Guangzhou	<u>(28,800)</u>	<u>(14,768)</u>

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ARNO GB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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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 2022 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 19/06/2023 by Nigel Hardy (Senior Statutory Auditor) on behalf of CLA Evelyn Partners Limited.