

**Unaudited Financial Statements**  
**for the Year Ended 31 May 2021**  
**for**  
**Arrow Engineering Components Limited**

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for the Year Ended 31 May 2021**

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**Arrow Engineering Components Limited**

**Company Information  
for the Year Ended 31 May 2021**

**DIRECTORS:** Mr R Arrowsmith  
Mrs J L Arrowsmith

**SECRETARY:** Mrs J L Arrowsmith

**REGISTERED OFFICE:** 72 Liverpool Street  
Salford  
Manchester  
M5 4LT

**REGISTERED NUMBER:** 02235902 (England and Wales)

**ACCOUNTANTS:** Freedman Frankl & Taylor  
Chartered Accountants  
Reedham House  
31 King Street West  
Manchester  
M3 2PJ

**Arrow Engineering Components Limited (Registered number: 02235902)**

**Balance Sheet  
31 May 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		129,020		50,355
<b>CURRENT ASSETS</b>					
Stocks	5	475,220		525,400	
Debtors	6	259,547		246,355	
Cash at bank and in hand		<u>123,220</u>		<u>99</u>	
		857,987		771,854	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>508,850</u>		<u>539,954</u>	
<b>NET CURRENT ASSETS</b>			<u>349,137</u>		<u>231,900</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			478,157		282,255
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		(286,908)		(109,818)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(21,251)</u>		<u>(6,896)</u>
<b>NET ASSETS</b>			<u>169,998</u>		<u>165,541</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			165,000		165,000
Retained earnings			<u>4,998</u>		<u>541</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>169,998</u>		<u>165,541</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**Balance Sheet - continued**  
**31 May 2021**

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 February 2022 and were signed on its behalf by:

Mr R Arrowsmith - Director

Mrs J L Arrowsmith - Director

**Notes to the Financial Statements  
for the Year Ended 31 May 2021**

**1. STATUTORY INFORMATION**

Arrow Engineering Components Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Operating lease rentals**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

**Going concern**

The company's financial statements for the year ended 31 May 2021 have been prepared on a going concern basis as, after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 19 (2020 - 19) .

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 June 2020	12,400	291,313	66,357
Additions	-	70,882	650
Disposals	-	-	-
At 31 May 2021	<u>12,400</u>	<u>362,195</u>	<u>67,007</u>
<b>DEPRECIATION</b>			
At 1 June 2020	2,928	259,976	66,244
Charge for year	248	13,222	120
Eliminated on disposal	-	-	-
At 31 May 2021	<u>3,176</u>	<u>273,198</u>	<u>66,364</u>
<b>NET BOOK VALUE</b>			
At 31 May 2021	<u>9,224</u>	<u>88,997</u>	<u>643</u>
At 31 May 2020	<u>9,472</u>	<u>31,337</u>	<u>113</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

4. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 June 2020	11,665	71,549	453,284
Additions	21,337	12,443	105,312
Disposals	(11,665)	-	(11,665)
At 31 May 2021	<u>21,337</u>	<u>83,992</u>	<u>546,931</u>
<b>DEPRECIATION</b>			
At 1 June 2020	4,840	68,941	402,929
Charge for year	3,580	3,060	20,230
Eliminated on disposal	(5,248)	-	(5,248)
At 31 May 2021	<u>3,172</u>	<u>72,001</u>	<u>417,911</u>
<b>NET BOOK VALUE</b>			
At 31 May 2021	<u>18,165</u>	<u>11,991</u>	<u>129,020</u>
At 31 May 2020	<u>6,825</u>	<u>2,608</u>	<u>50,355</u>

5. **STOCKS**

	2021 £	2020 £
Goods for re-sale	<u>475,220</u>	<u>525,400</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	243,604	231,777
Other debtors	<u>15,943</u>	<u>14,578</u>
	<u>259,547</u>	<u>246,355</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts	55,545	64,924
Trade creditors	116,548	99,661
Taxation and social security	47,405	42,501
Other creditors	<u>289,352</u>	<u>332,868</u>
	<u>508,850</u>	<u>539,954</u>

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Bank loans	<u>286,908</u>	<u>109,818</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 May 2021

9. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdraft	-	54,618
Bank loans	342,453	120,124
Other creditors	154,670	148,138
	<u>497,123</u>	<u>322,880</u>

10. RELATED PARTY DISCLOSURES

Included within the other creditors is the directors current account balance of £120,239 (2020: £174,802). There are no fixed repayment terms and no interest is chargeable to the company in respect of this balance.

The company's bank borrowings are secured on property owned personally by the directors. During the current and previous year the company occupied these premises rent free.

During the year, the company paid rent amounting to £Nil (2020: £15,373) to a Pension Scheme in which the directors are trustees and beneficiaries.

At the year end, the amount due to the Pension Scheme was £199 (2020: £199).

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.