

Arotron Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 September 2017

Arotron Limited

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Arotron Limited

(Registration number: 09207601) Balance Sheet as at 30 September 2017

| | Note | 2017 £ | 2016 £ |
|--|----------|-----------------|-----------------|
| Fixed assets | | | |
| Intangible assets | <u>4</u> | 11,700 | 17,550 |
| Tangible assets | <u>5</u> | <u>7,762</u> | <u>10,350</u> |
| | | <u>19,462</u> | <u>27,900</u> |
| Current assets | | | |
| Debtors | <u>6</u> | 27,793 | 16,613 |
| Cash at bank and in hand | | <u>2,995</u> | <u>-</u> |
| | | 30,788 | 16,613 |
| Creditors: Amounts falling due within one year | <u>7</u> | <u>(50,255)</u> | <u>(39,539)</u> |
| Net current liabilities | | <u>(19,467)</u> | <u>(22,926)</u> |
| Total assets less current liabilities | | (5) | 4,974 |
| Creditors: Amounts falling due after more than one year | <u>7</u> | <u>(9,721)</u> | <u>(17,877)</u> |
| Net liabilities | | <u>(9,726)</u> | <u>(12,903)</u> |
| Capital and reserves | | | |
| Called up share capital | <u>8</u> | 25,000 | 25,000 |
| Profit and loss account | | <u>(34,726)</u> | <u>(37,903)</u> |
| Total equity | | <u>(9,726)</u> | <u>(12,903)</u> |

For the financial year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 3 to 9 form an integral part of these financial statements.
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Arotron Limited

**(Registration number: 09207601)
Balance Sheet as at 30 September 2017**

Approved and authorised by the Board on 26 June 2018 and signed on its behalf by:

.....
C W Woodhams
Director

.....
J S Woodhams
Director

The notes on pages 3 to 9 form an integral part of these financial statements.
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Notes to the Financial Statements for the Year Ended 30 September 2017

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 4B Stoney Lane Nurseries

Tower Hill

Chipperfield

Hertfordshire

WD4 9EG

These financial statements were authorised for issue by the Board on 26 June 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Arotron Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

| Asset class | Depreciation method and rate |
|----------------|---------------------------------|
| Motor vehicles | 25% per annum on net book value |

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|-------------|------------------------------|
| Goodwill | 20% per annum on cost |

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 30 September 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2016 - 3).

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Notes to the Financial Statements for the Year Ended 30 September 2017

4 Intangible assets

| | Goodwill £ | Total £ |
|--------------------------|---------------|------------|
| Cost or valuation | | |
| At 1 October 2016 | 29,250 | 29,250 |
| At 30 September 2017 | 29,250 | 29,250 |
| Amortisation | | |
| At 1 October 2016 | 11,700 | 11,700 |
| Amortisation charge | 5,850 | 5,850 |
| At 30 September 2017 | 17,550 | 17,550 |
| Carrying amount | | |
| At 30 September 2017 | 11,700 | 11,700 |
| At 30 September 2016 | 17,550 | 17,550 |

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

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Notes to the Financial Statements for the Year Ended 30 September 2017

5 Tangible assets

| | Motor vehicles £ | Total £ |
|--------------------------|---------------------|------------|
| Cost or valuation | | |
| At 1 October 2016 | 18,400 | 18,400 |
| At 30 September 2017 | 18,400 | 18,400 |
| Depreciation | | |
| At 1 October 2016 | 8,050 | 8,050 |
| Charge for the year | 2,588 | 2,588 |
| At 30 September 2017 | 10,638 | 10,638 |
| Carrying amount | | |
| At 30 September 2017 | 7,762 | 7,762 |
| At 30 September 2016 | 10,350 | 10,350 |

6 Debtors

| | 2017 £ | 2016 £ |
|---------------|-----------|-----------|
| Trade debtors | 27,793 | 16,613 |
| | 27,793 | 16,613 |

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Notes to the Financial Statements for the Year Ended 30 September 2017

7 Creditors

Creditors: amounts falling due within one year

| | Note | 2017 £ | 2016 £ |
|---|-----------|---------------|---------------|
| Due within one year | | | |
| Bank loans and overdrafts | <u>9</u> | 8,148 | 11,016 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | <u>10</u> | 29,375 | 21,706 |
| Taxation and social security | | 9,197 | 6,217 |
| Accruals and deferred income | | 1,200 | 600 |
| Other creditors | | 2,335 | - |
| | | <u>50,255</u> | <u>39,539</u> |

Creditors: amounts falling due after more than one year

| | Note | 2017 £ | 2016 £ |
|---------------------------|----------|--------------|---------------|
| Due after one year | | | |
| Loans and borrowings | <u>9</u> | <u>9,721</u> | <u>17,877</u> |

8 Share capital

Allotted, called up and fully paid shares

| | 2017 | | 2016 | |
|------------------------------|------|--------|------|--------|
| | No. | £ | No. | £ |
| Ordinary shares of £250 each | 100 | 25,000 | 100 | 25,000 |

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Notes to the Financial Statements for the Year Ended 30 September 2017

9 Loans and borrowings

| | 2017 £ | 2016 £ |
|---|--------------|---------------|
| Non-current loans and borrowings | | |
| Bank borrowings | 5,659 | 10,064 |
| Finance lease liabilities | 4,062 | 7,813 |
| | <u>9,721</u> | <u>17,877</u> |

| | 2017 £ | 2016 £ |
|-------------------------------------|--------------|---------------|
| Current loans and borrowings | | |
| Bank borrowings | 4,398 | 3,868 |
| Bank overdrafts | - | 3,398 |
| Finance lease liabilities | 3,750 | 3,750 |
| | <u>8,148</u> | <u>11,016</u> |

10 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2017 £ | 2016 £ |
|--------------|--------------|---------------|
| Remuneration | <u>9,424</u> | <u>12,434</u> |

11 Transition to FRS 102

The company has adopted Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' this year. No adjustments were required on transition.

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.