

**Areco Limited**  
**Financial Statements**  
**for the Year Ended 30 April 2022**

Haines Watts Tamworth Limited  
Chartered Accountants and Statutory Auditors  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

**Areco Limited (Registered number: 06057526)**

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for the Year Ended 30 April 2022**

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**DIRECTORS:**

R A Davies  
P M Doyle  
Ms S M Ursell

**SECRETARY:**

P B Burns

**REGISTERED OFFICE:**

Westgate  
Aldridge  
West Midlands  
WS9 8DJ

**REGISTERED NUMBER:**

06057526 (England and Wales)

**AUDITORS:**

Haines Watts Tamworth Limited  
Chartered Accountants and Statutory Auditors  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

**Balance Sheet**  
**30 April 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		1,020,079		842,902
<b>CURRENT ASSETS</b>					
Stocks		310,681		377,625	
Debtors	5	568,126		448,877	
Cash at bank and in hand		<u>142,917</u>		<u>70,583</u>	
		1,021,724		897,085	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>628,703</u>		<u>680,739</u>	
<b>NET CURRENT ASSETS</b>			<u>393,021</u>		<u>216,346</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,413,100		1,059,248
<b>PROVISIONS FOR LIABILITIES</b>	7		-		344
<b>NET ASSETS</b>			<u>1,413,100</u>		<u>1,058,904</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1,000		1,000
Revaluation reserve	9		196,292		-
Retained earnings			<u>1,215,808</u>		<u>1,057,904</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,413,100</u>		<u>1,058,904</u>

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 2 December 2022 and were signed on its behalf by:

P M Doyle - Director

**Notes to the Financial Statements  
for the Year Ended 30 April 2022**

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**1. STATUTORY INFORMATION**

Areco 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 as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis which assumes that the company will continue to operate for the foreseeable future.

The directors have reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. For this reason, together with the continued support of the directors, wider group and strong associates, they are continuing to adopt the going concern basis.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

- Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Sales ledger debt provisions. Management review debts on a case by case basis to highlight deviation from terms and therefore possible provision requirement.

- Depreciation and residual values. Management have reviewed the asset lives and associated residual values of all fixed asset classes and concluded that they are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

## 2. ACCOUNTING POLICIES - continued

### Turnover

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

Revenue is recognised upon despatch of goods.

Rental income is recognised monthly in advance.

### Tangible fixed assets

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

Land and buildings freehold	- not provided (see below)
Plant and machinery etc	- 20% on cost and 10% on cost

The directors have assessed the difference between the residual value and the original cost of the assets as being not material and have decided not to provide for any depreciation on the grounds that the aggregate depreciation to be provided over the life of the asset is not material.

### 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 Income Statement, 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.

### Hire purchase and leasing commitments

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

### 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.

### Defined benefit

The company participated in a defined benefit pension scheme which is administered by the parent company. The scheme was closed to new members in April 2009 and future accrual of benefits ceased. The employers contributions are affected by a deficit in the scheme and the directors are unable to separately identify the company's share of the underlying liabilities as the scheme is exposed to actuarial risk associated with current and former employees of the group as a whole. Under those circumstances the contributions of the scheme are treated as if they were a defined contribution scheme and charged to the profit and loss as they accrue.

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

## 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2021 - 9) .

## 4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 May 2021	803,708	222,689	1,026,397
Additions	-	424	424
Revaluations	196,292	-	196,292
At 30 April 2022	<u>1,000,000</u>	<u>223,113</u>	<u>1,223,113</u>
<b>DEPRECIATION</b>			
At 1 May 2021	-	183,495	183,495
Charge for year	-	19,539	19,539
At 30 April 2022	<u>-</u>	<u>203,034</u>	<u>203,034</u>
<b>NET BOOK VALUE</b>			
At 30 April 2022	<u>1,000,000</u>	<u>20,079</u>	<u>1,020,079</u>
At 30 April 2021	<u>803,708</u>	<u>39,194</u>	<u>842,902</u>

Cost or valuation at 30 April 2022 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2022	196,292	-	196,292
Cost	803,708	223,113	1,026,821
	<u>1,000,000</u>	<u>223,113</u>	<u>1,223,113</u>

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	420,684	415,818
Other debtors	<u>147,442</u>	<u>33,059</u>
	<u>568,126</u>	<u>448,877</u>

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	455,615	537,384
Amounts owed to group undertakings	27,843	24,198
Taxation and social security	54,643	86,961
Other creditors	<u>90,602</u>	<u>32,196</u>
	<u>628,703</u>	<u>680,739</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

7. **PROVISIONS FOR LIABILITIES**

	2021
	£
Deferred tax	
Accelerated capital allowances	344
	<u>344</u>
	Deferred tax
	£
Balance at 1 May 2021	344
Provided during year	(2,353)
Balance at 30 April 2022	<u>(2,009)</u>

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

9. **RESERVES**

	Revaluation reserve
	£
Freehold property revaluation	196,292
At 30 April 2022	<u>196,292</u>

10. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Stephen Butler BA FCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts Tamworth Limited

11. **CONTINGENT LIABILITIES**

The company has given cross guarantees to National Westminster Bank PLC in respect of amounts outstanding with fellow group and connected companies. At the balance sheet date these amounted to £2,708,863 (2021: £1,638,251).

12. **ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of Watts Clift Holdings Ltd, a company incorporated in England & Wales. Group financial statements are prepared by the parent company and copies may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.



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.