

REGISTERED NUMBER: 08758564 (England and Wales)

Unaudited Financial Statements for the Year Ended 30 November 2019

for

Arc Pharma (UK) Limited

Aequitas
Chartered Accountants
Elthorne Gate
64 High Street
Pinner
HA5 5QA

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for the Year Ended 30 November 2019**

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Arc Pharma (UK) Limited

**Company Information
for the Year Ended 30 November 2019**

DIRECTORS:

Mr S Patel
Mr AJ Patel
Mrs SK Pipaliya

REGISTERED OFFICE:

Unit 3 Curo Park
Frogmore
St. Albans
Hertfordshire
AL2 2DD

REGISTERED NUMBER:

08758564 (England and Wales)

ACCOUNTANTS:

Aequitas
Chartered Accountants
Elthorne Gate
64 High Street
Pinner
HA5 5QA

Balance Sheet
30 November 2019

	Notes	30.11.19 £	£	30.11.18 £	£
FIXED ASSETS					
Tangible assets	4		416,203		204,931
CURRENT ASSETS					
Debtors	5	426,655		219,006	
Cash at bank and in hand		<u>28,240</u>		<u>180,382</u>	
		454,895		399,388	
CREDITORS					
Amounts falling due within one year	6	<u>419,590</u>		<u>311,878</u>	
NET CURRENT ASSETS			<u>35,305</u>		<u>87,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>451,508</u>		<u>292,441</u>
CREDITORS					
Amounts falling due after more than one year	7		(217,754)		(32,013)
PROVISIONS FOR LIABILITIES			<u>(32,051)</u>		<u>(38,937)</u>
NET ASSETS			<u>201,703</u>		<u>221,491</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>201,603</u>		<u>221,391</u>
SHAREHOLDERS' FUNDS			<u>201,703</u>		<u>221,491</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 November 2019.

The members have not required the Company to obtain an audit of its financial statements for the year ended 30 November 2019 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 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.
- (b)

The notes form part of these financial statements

Balance Sheet - continued
30 November 2019

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 on 22 April 2020 and were signed on its behalf by:

Mr AJ Patel - Director

**Notes to the Financial Statements
for the Year Ended 30 November 2019**

1. STATUTORY INFORMATION

Arc Pharma (UK) 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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 represents revenue generated from the laboratory testing and consultancy services and is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discount, settlement discounts and volume rebates.

Tangible fixed assets

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

Short leasehold	- Over the lease term
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Tangible fixed asset 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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

2. ACCOUNTING POLICIES - continued

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

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme.

A defined contribution plan is 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 the Statement of income and retained earnings when they fall due. Amount not paid are shown in accruals as liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2018 - 11) .

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019

4. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 December 2018	-	309,587	34,897	49,144	393,628
Additions	5,670	272,576	42,797	27,829	348,872
At 30 November 2019	5,670	582,163	77,694	76,973	742,500
DEPRECIATION					
At 1 December 2018	-	155,442	20,969	12,286	188,697
Charge for year	567	106,680	14,181	16,172	137,600
At 30 November 2019	567	262,122	35,150	28,458	326,297
NET BOOK VALUE					
At 30 November 2019	5,103	320,041	42,544	48,515	416,203
At 30 November 2018	-	154,145	13,928	36,858	204,931

Included within the net book value of plant and machinery is £52,968 relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £17,656.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.19 £	30.11.18 £
Trade debtors	357,577	200,118
Other debtors	59,499	11,184
Prepayments and accrued income	9,579	7,704
	<u>426,655</u>	<u>219,006</u>

Included within trade debtors above are factored debts of £357,577 which remain outstanding as at the balance sheet date.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.19 £	30.11.18 £
Bank loans and overdrafts (see note 8)	219,362	155,923
Hire purchase contracts	24,080	-
Trade creditors	104,694	59,516
Taxation and social security	27,049	42,261
Accruals and deferred income	44,405	54,178
	<u>419,590</u>	<u>311,878</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.11.19	30.11.18
	£	£
Bank loans (see note 8)	171,210	32,013
Hire purchase contracts	46,544	-
	<u>217,754</u>	<u>32,013</u>

8. LOANS

An analysis of the maturity of loans is given below:

	30.11.19	30.11.18
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	153,981	137,936
Bank loans	65,381	17,987
	<u>219,362</u>	<u>155,923</u>
Amounts falling due between two and five years:		
Bank loans	<u>171,210</u>	<u>32,013</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	30.11.19	30.11.18
	£	£
Bank overdrafts	153,981	137,936
Bank loans	236,591	50,000
Hire purchase contracts	70,624	-
	<u>461,196</u>	<u>187,936</u>

Included in the bank overdrafts is £153,981 factoring debts due to RBS Invoice Finance Ltd. The debts are secured by a fixed and floating charges over the assets of the company.

Included within bank loans is £33,784 owed to NatWest Bank Plc and £202,807 owed to Funding Circle Limited. Both loans are secured by a personal guarantee provided by the directors of the company.

10. OTHER FINANCIAL COMMITMENTS

The Company has £675,500 of total financial commitments at the balance sheet date in relation to operating lease.

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

11. RELATED PARTY DISCLOSURES

During the year, the company paid consultancy fees of £62,100 to Ayniry Ltd a company in which Mr A Patel is a director and shareholder. At the balance sheet date the company owed £21,200 to Ayniry Ltd. During the year the company paid consultancy fees of £99,855 to Pharmadose Limited in which Mr S Patel is a director and shareholder.

Included in other debtors is £14,999 owed by Pharmadose Limited to the Company. The loan is free of interest and repayable on demand.

12. OTHER INFORMATION

During the year the Company purchased number of laboratory equipment and plant and machinery as part of expansion of business.

The Company moved to a new premises this year. As a result, the Company had additional overheads costs for equipment calibrations and dilapidation.

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.