

Company registration number 08758564 (England and Wales)

ARC PHARMA (UK) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
PAGES FOR FILING WITH REGISTRAR

ARC PHARMA (UK) LIMITED

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ARC PHARMA (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	3	904,069	565,554
Investments	4	50,000	-
		<u>954,069</u>	<u>565,554</u>
Current assets			
Debtors	5	1,051,611	661,917
Investments	6	50,000	50,000
Cash at bank and in hand		312,938	194,930
		<u>1,414,549</u>	<u>906,847</u>
Creditors: amounts falling due within one year	7	<u>(913,320)</u>	<u>(618,443)</u>
Net current assets		<u>501,229</u>	<u>288,404</u>
Total assets less current liabilities		<u>1,455,298</u>	<u>853,958</u>
Creditors: amounts falling due after more than one year	8	(343,067)	(67,169)
Provisions for liabilities		<u>(225,768)</u>	<u>(106,818)</u>
Net assets		<u>886,463</u>	<u>679,971</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss reserves		886,363	679,871
Total equity		<u>886,463</u>	<u>679,971</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ARC PHARMA (UK) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the board of directors and authorised for issue on 5 July 2024 and are signed on its behalf by:

Mr AJ Patel
Director

Company registration number 08758564 (England and Wales)

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Arc Pharma (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Curo Park, Frogmore, St. Albans, Hertfordshire, AL2 2DD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover 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 discounts, settlement discounts and volume rebates. Turnover represents revenue generated from the laboratory testing services provided in the normal course of business.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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
Motor vehicles	25% on reducing balance

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.8 Retirement benefits

The company operates a defined contribution pension scheme. 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 the Statement of income and retained earnings 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.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	40	34
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ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Tangible fixed assets

	Short leasehold	Plant and fixtures and fittings machinery	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	5,670	1,049,166	97,732	-	1,423,383
Additions	-	125,784	8,092	489,604	640,105
At 31 December 2023	5,670	1,174,950	105,824	489,604	2,063,488
Depreciation and impairment					
At 1 January 2023	2,316	656,118	68,765	-	857,829
Depreciation charged in the year	567	129,708	9,265	122,848	301,590
At 31 December 2023	2,883	785,826	78,030	122,848	1,159,419
Carrying amount					
At 31 December 2023	2,787	389,124	27,794	366,756	904,069
At 31 December 2022	3,354	393,048	28,967	-	565,554

Included within the net book value of the above asset is £385,304 (2022: £22,346) 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 £128,435 (2022: £7,449).

4 Fixed asset investments

	2023 £	2022 £
Other investments other than loans	50,000	-
Movements in fixed asset investments		
		Investments £
Cost or valuation		
At 1 January 2023		-
Additions		50,000
At 31 December 2023		50,000
Carrying amount		
At 31 December 2023		50,000
At 31 December 2022		-

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Fixed asset investments (Continued)

The above investments consist of a subscription of Class A common stock in Seecubic, Inc., a company registered in the USA.

5 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	913,790	579,300
Other debtors	91,837	45,000
Prepayments and accrued income	45,984	37,617
	<u>1,051,611</u>	<u>661,917</u>

Included within trade debtors above are factored debts of £913,790 which remain outstanding as at the balance sheet date.

6 Current asset investments

	2023	2022
	£	£
Loan notes	<u>50,000</u>	<u>50,000</u>

The above investments consist of the loan notes subscribed in Seecubic, Inc. with a maturity date of 31 December 2024. Seecubic, Inc. is a company registered in the USA.

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	150,789	158,976
Trade creditors	364,550	274,678
Taxation and social security	240,178	163,486
Other creditors	157,803	21,303
	<u>913,320</u>	<u>618,443</u>

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	15,641	57,472
Other creditors	327,426	9,697
	<u>343,067</u>	<u>67,169</u>

9 Loans and overdrafts

	2023	2022
	£	£
Bank loans	57,231	109,061
Bank overdrafts	109,199	107,387
	<u>166,430</u>	<u>216,448</u>
Payable within one year	150,789	158,976
Payable after one year	15,641	57,472

Included within bank loans is £31,470 owed to Funding Circle Limited. The loan is secured by a personal guarantee provided by the directors of the company.

Included in the bank overdrafts is £109,199 factored debts due to RBS Invoice Finance Ltd. The debts are secured by fixed and floating charges over the assets of the company.

10 Finance lease obligations

	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	124,058	11,636
In two to five years	327,426	9,697
	<u>451,484</u>	<u>21,333</u>

The above disclosed hire purchase contract has a fixed interest rate and is secured over the asset held under hire purchase lease commitments.

ARC PHARMA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
356,918	431,918
<u> </u>	<u> </u>

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Consultancy fees	
2023	2022
£	£
268,850	128,758
<u> </u>	<u> </u>

Entities with common shareholders and directors

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.