

Registration number 02692195

Barco Sales Limited

**Directors' report and financial statements
for the year ended 30 September 2007**

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Barco Sales Limited

Company information

Directors	P R Barrow S J Barrow P J Barrow
Secretary	S J Barrow
Company number	02692195
Registered office	8 Fairfax Mansions Finchley Road Swiss Cottage London NW3 6JY
Auditors	Brackman Chopra LLP 8 Fairfax Mansions Finchley Road London NW3 6JY
Business address	Barco House 15 Bessemer Road Welwyn Garden City AL7 1HB
Bankers	National Westminster Bank Plc 10 St Peter's Street St Albans Herts AL1 3LY

Barco Sales Limited

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Barco Sales Limited

Directors' report for the year ended 30 September 2007

The directors present their report and the financial statements for the year ended 30 September 2007

Principal activity and review of the business

The principal activity of the company continued to be that of buying, selling, hire and services of plumbing, building and engineering equipment

The directors considered the results for the year and the financial position at the end of it, to be in line with expectations. Sales growth during the year was a healthy 9.09% which allied with gross margins remaining remaining stable at 33%, overheads also remained stable resulting in the increased underlying profitability of the company before taking account of Directors remuneration. The directors expect continued growth in the foreseeable future in line with this years performance.

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

	Class of share	30/09/07	01/10/06
P R Barrow	Ordinary shares	-	-
S J Barrow	Ordinary shares	-	-
P J Barrow	Ordinary shares	-	-

Charitable and Political Contributions

During the year the company contributed £104,515 to charities

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Barco Sales Limited

**Directors' report
for the year ended 30 September 2007**

continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Auditors

Brackman Chopra LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting. This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 15 February 2008 and signed on its behalf by



S J Barrow
Secretary

Barco Sales Limited

Independent auditors' report to the shareholders of Barco Sales Limited

We have audited the financial statements of Barco Sales Limited for the year ended 30 September 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Barco Sales Limited

Independent auditors' report to the shareholders of Barco Sales Limited continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Brackman Chopra LLP
Chartered Accountants and
Registered Auditor
8 Fairfax Mansions
Finchley Road
London
NW3 6JY

15 February 2008

Barco Sales Limited

**Profit and loss account
for the year ended 30 September 2007**

		2007	2006
	Notes	£	£
Turnover	2	11,873,941	10,884,254
Cost of sales		(7,903,382)	(7,303,220)
Gross profit		3,970,559	3,581,034
Administrative expenses		(3,113,243)	(1,712,962)
Operating profit	3	857,316	1,868,072
Investment income	4	12,562	13,184
Other interest receivable and similar income	5	62,669	76,123
Interest payable and similar charges	6	(43,380)	(81,011)
Profit on ordinary activities before taxation		889,167	1,876,368
Tax on profit on ordinary activities	9	(180,863)	(513,444)
Profit on ordinary activities after taxation		708,304	1,362,924
Retained profit for the year	19	708,304	1,362,924
Retained profit brought forward		2,502,626	1,139,702
Retained profit carried forward		3,210,930	2,502,626

The profit and loss account has been prepared on the basis that all operations are continuing

There are no recognised gains or losses other than the profit or loss for the above two financial years

There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated and their historical costs equivalent

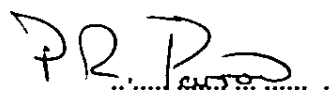
The notes on pages 8 to 18 form an integral part of these financial statements.


Barco Sales Limited


Balance sheet as at 30 September 2007

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		2,513,693		2,533,012
Investments	11		599,686		599,686
			<u>3,113,379</u>		<u>3,132,698</u>
Current assets					
Stocks	12	1,169,775		924,463	
Debtors	13	2,982,829		2,468,040	
Cash at bank and in hand		1,299,323		1,340,196	
		<u>5,451,927</u>		<u>4,732,699</u>	
Creditors: amounts falling due within one year	14	(4,898,668)		(4,882,872)	
Net current assets/(liabilities)			<u>553,259</u>		<u>(150,173)</u>
Total assets less current liabilities			3,666,638		2,982,525
Creditors: amounts falling due after more than one year	15		(379,516)		(402,133)
Provisions for liabilities	16		(74,692)		(76,266)
Net assets			<u>3,212,430</u>		<u>2,504,126</u>
Capital and reserves					
Called up share capital	18		1,500		1,500
Profit and loss account	19		3,210,930		2,502,626
Equity shareholders' funds	20		<u>3,212,430</u>		<u>2,504,126</u>

The financial statements were approved by the Board on 15 February 2008 and signed on its behalf by


P R Barrow
Director


S J Barrow
Director


P J Barrow
Director

The notes on pages 8 to 18 form an integral part of these financial statements.

Barco Sales Limited

Cash flow statement for the year ended 30 September 2007

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		857,316	1,868,072
Depreciation		131,824	133,140
(Profit)/ loss on disposal of tangible assets		(12,989)	82
(Increase) in stocks		(245,312)	(195,098)
(Increase) in debtors		(514,789)	(545,321)
(Decrease) in creditors		1,119,243	(1,330,899)
Net cash inflow/(outflow) from operating activities		<u>1,335,293</u>	<u>(70,024)</u>
Cash flow statement			
Net cash inflow/(outflow) from operating activities		1,335,293	(70,024)
Returns on investments and servicing of finance	24	31,851	8,296
Taxation		(519,365)	-
Capital expenditure	24	<u>(99,516)</u>	<u>(139,022)</u>
		748,263	(200,750)
Financing	24	<u>(1,005,398)</u>	<u>(606,329)</u>
Decrease in cash in the year		<u>(257,135)</u>	<u>(807,079)</u>
Reconciliation of net cash flow to movement in net funds (Note 25)			
Decrease in cash in the year		(257,135)	(807,079)
Cash outflow from decrease in debts and lease financing		1,005,398	606,329
Change in net funds resulting from cash flows		748,263	(200,750)
Movement in net debt in the year		-	-
Net debt at 1 October 2006		<u>(1,946,552)</u>	<u>(1,745,802)</u>
Net Debt at 30 September 2006		<u>1,198,289</u>	<u>(1,946,552)</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	10% - 25% Straight Line
Motor vehicles	-	25% Straight Line
Computer equipment	-	20% Straight Line

1.4. Investments

Interest in partnership

Fixed asset investment in the partnership is stated at the company's share of net assets at the year end
The company's share of the partnerships operating profit and loss is included in the company's profit and loss account

1.5 Stock

Stock is valued at the lower of cost and net realisable value

1.6. Pensions

The pension costs charged in the financial statements represents the defined contributions payable by the company during the year in accordance with FRS 17 "Retirement Benefits"

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

Barco Sales Limited

**Notes to the financial statements
for the year ended 30 September 2007**

continued

3	Operating profit	2007	2006
		£	£
	Depreciation and other amounts written off tangible assets	131,824	133,140
	Operating lease rentals		
	- Motor vehicles	10,005	-
	- Office equipment	2,011	2,694
	Audit and accountancy	45,869	41,956
	Profit/(loss) on disposal of tangible fixed assets	12,989	(82)
		<u> </u>	<u> </u>
4.	Income from investments	2007	2006
		£	£
	Share of profit in associated partnership	12,562	13,184
		<u> </u>	<u> </u>
5.	Interest receivable and similar income	2007	2006
		£	£
	Bank interest	62,669	76,123
		<u> </u>	<u> </u>
6	Interest payable and similar charges	2007	2006
		£	£
	On loans and overdrafts	23,997	60,619
	On loans repayable in five years or more	19,383	20,392
		<u> </u>	<u> </u>
		43,380	81,011
		<u> </u>	<u> </u>

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

7. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were

	2007	2006
Warehouse and distribution	18	19
Sales	9	8
Administration	14	14
	<u>41</u>	<u>41</u>

Employment costs

	2007 £	2006 £
Wages and salaries	2,251,282	1,099,658
Social security costs	253,088	109,713
Pension costs-other operating charge	12,200	9,246
	<u>2,516,570</u>	<u>1,218,617</u>

7.1. Directors' emoluments

	2007 £	2006 £
Remuneration and other emoluments	1,308,830	242,363
Pension contributions	9,246	9,246
	<u>1,318,076</u>	<u>251,609</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>

Highest paid director

	£	£
Amounts included above		
Emoluments and other benefits	639,282	92,362
Pension contributions	3,600	3,600
	<u>642,882</u>	<u>95,962</u>

Barco Sales Limited

**Notes to the financial statements
for the year ended 30 September 2007**

continued

8. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £9,246 (2006 - £9,246)

The company operates a defined contribution group personal pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £2,954 (2006 £Nil). As at 30 September 2007 contributions in the sum of £927 were outstanding.

Barco Sales Limited

**Notes to the financial statements
for the year ended 30 September 2007**

continued

9. Tax on profit on ordinary activities

Analysis of charge in period	2007	2006
	£	£
Current tax		
UK corporation tax at 30% (2006 30%)	182,437	519,365
Total current tax charge	<u>182,437</u>	<u>519,365</u>
Deferred tax		
Timing differences, origination and reversal	(1,574)	(5,921)
Total deferred tax	<u>(1,574)</u>	<u>(5,921)</u>
Tax on profit on ordinary activities	<u>180,863</u>	<u>513,444</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>889,167</u>	<u>1,876,368</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 September 2006 30%)	266,750	562,910
Effects of:		
Expenses not deductible for tax purposes	47	609
Depreciation in excess of capital allowances	12,644	10,418
Utilisation of tax losses	(104,598)	(60,651)
Partnership taxable income in excess of income arising in year	7,594	6,079
Current tax charge for period	<u>182,437</u>	<u>519,365</u>

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

10. Tangible fixed assets	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 October 2006	2,359,904	378,017	183,574	276,955	3,198,450
Additions	-	27,643	66,770	18,092	112,505
Disposals	-	-	(49,984)	-	(49,984)
At 30 September 2007	<u>2,359,904</u>	<u>405,660</u>	<u>200,360</u>	<u>295,047</u>	<u>3,260,971</u>
Depreciation					
At 1 October 2006	131,121	177,977	169,365	186,975	665,438
On disposals	-	-	(49,984)	-	(49,984)
Charge for the year	29,198	39,663	23,797	39,166	131,824
At 30 September 2007	<u>160,319</u>	<u>217,640</u>	<u>143,178</u>	<u>226,141</u>	<u>747,278</u>
Net book values					
At 30 September 2007	<u>2,199,585</u>	<u>188,020</u>	<u>57,182</u>	<u>68,906</u>	<u>2,513,693</u>
At 30 September 2006	<u>2,228,783</u>	<u>200,040</u>	<u>14,209</u>	<u>89,980</u>	<u>2,533,012</u>

11. Fixed asset investments	Share of net assets of partnership £	Total £
Cost		
At 1 October 2006		
At 30 September 2007	<u>599,686</u>	<u>599,686</u>
Net book values		
At 30 September 2007	<u>599,686</u>	<u>599,686</u>
At 30 September 2006	<u>599,686</u>	<u>599,686</u>

The share of net assets of partnership represents the investment in an unincorporated trading partnership, Trieste Film Partners, investing in British Films. At the year end the company held 2 18% equity interest in Trieste Film Partners.

The latest available audited accounts for Trieste Film Partners are for the period ended 5 April 2007.

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

12. Stocks	2007 £	2006 £
Finished goods and goods for resale	<u>1,169,775</u>	<u>924,463</u>

In common with many companies in the plumbing supplies industry, the majority of our suppliers have standard reservation of title clauses. To the extent that stock is separately identifiable, it may be subject to a reservation of title clause.

13. Debtors	2007 £	2006 £
Trade debtors	2,155,186	2,047,660
Amounts owed by group undertakings	670,858	298,540
Other debtors	1,120	1,519
Prepayments and accrued income	<u>155,665</u>	<u>120,321</u>
	<u>2,982,829</u>	<u>2,468,040</u>

14. Creditors: amounts falling due within one year	2007 £	2006 £
Bank overdraft	424,042	204,927
Bank loan	362,335	362,335
Other bank loan	22,616	19,761
Trade creditors	913,611	1,035,508
Film partnership current account	149,106	122,078
Corporation tax	182,437	519,365
Other taxes and social security costs	334,120	213,323
Directors' accounts	2,373,930	2,298,592
Other creditors	1,388	60
Accruals and deferred income	<u>135,083</u>	<u>106,923</u>
	<u>4,898,668</u>	<u>4,882,872</u>

The Natwest bank overdraft of £424,042 (2006 £204,927) and loan of £362,335 (2006 £362,335) are secured by a first legal charge over the company's long leasehold property.

Barco Sales Limited

**Notes to the financial statements
for the year ended 30 September 2007**

continued

15	Creditors: amounts falling due after more than one year	2007 £	2006 £
	Bank loan	<u>379,516</u>	<u>402,133</u>
	Loans		
	Repayable in one year or less, or on demand (Note 14)	384,951	382,096
	Repayable between two and five years	71,667	94,284
	Repayable in five years or more	<u>307,849</u>	<u>307,849</u>
		<u>764,468</u>	<u>784,229</u>
	Repayable in five years or more		
	Bank loan	<u>379,516</u>	<u>402,133</u>
		<u>379,516</u>	<u>1,171,894</u>

The Clydesdale bank loans in the sum of £379,516 (2006 £402,133) are secured by the company's share of lease rental income receivable by Trieste Film Partners, in which the company has made an investment (note 11), and are repayable over the term of 11 years by instalments

16. Provisions for liabilities

	Deferred taxation (Note 17) £	Total £
At 1 October 2006	76,266	82,187
Movements in the year	<u>(1,574)</u>	<u>(5,921)</u>
At 30 September 2007	<u>74,692</u>	<u>76,266</u>

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

17. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	12,353	14,813
Trieste Film Partners losses	80,106	87,302
Undiscounted provision for deferred tax	92,459	102,115
Discount	(17,767)	(25,849)
Discounted provision for deferred tax	<u>74,692</u>	<u>76,266</u>
Provision at 1 October 2006	76,266	82,187
Deferred tax charge in profit and loss account	(1,574)	(5,921)
Provision at 30 September 2007	<u>74,692</u>	<u>76,266</u>
18. Share capital	2007	2006
	£	£
Authorised equity		
1,000,000 Ordinary shares of 1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid equity		
1,500 Ordinary shares of 1 each	<u>1,500</u>	<u>1,500</u>
19. Equity Reserves	Profit and loss account	Total
	£	£
At 1 October 2006	2,502,626	2,502,626
Retained profit for the year	708,304	708,304
At 30 September 2007	<u>3,210,930</u>	<u>3,210,930</u>

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

20. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the year	708,304	1,362,924
Opening shareholders' funds	2,504,126	1,141,202
Closing shareholders' funds	<u>3,212,430</u>	<u>2,504,126</u>

21 Financial Commitments

At 30 September 2006 the company had annual commitments under non - cancellable operating leases as follows -

	2007 £	2006 £
Expiry date		
Within one year	<u>13,463</u>	<u>4,000</u>

22 - Related party transactions

At the balance sheet date the amount due from Starfish Records Ltd, a fellow group undertaking, was £668,372 (2006 £296,348) During the year £372,024 was transferred to the company as an interest free group loan repayable on demand

At the balance sheet date the amount due from Barco Holdings Limited, the company's parent undertaking was £2,486 (2006 £2,192) This amount is an interest free group loan repayable on demand

23. Ultimate parent undertaking

The company's parent undertaking is Barco Holdings Limited, a company controlled by the directors by virtue of their shareholding The latest financial statements for Barco Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

Barco Sales Limited

Notes to the financial statements for the year ended 30 September 2007

continued

24. Gross cash flows

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	62,669	76,123
Interest paid	(43,380)	(81,011)
Share of profit in associated partnership	12,562	13,184
	<u>31,851</u>	<u>8,296</u>
Taxation		
Corporation tax paid	519,365	-
	<u>519,365</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible assets	(112,505)	(139,178)
Receipts from sales of tangible assets	12,989	156
	<u>(99,516)</u>	<u>(139,022)</u>
Financing		
Other new short term loans	2,855	2,763
Directors loan accounts	(988,492)	157,906
Repayment of other long term loans	(19,761)	(766,998)
	<u>(1,005,398)</u>	<u>(606,329)</u>

25. Analysis of changes in net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	1,340,196	(40,873)		1,299,323
Overdrafts	(204,927)	(219,115)		(424,042)
	<u>1,135,269</u>	<u>(259,988)</u>		<u>875,281</u>
Debt due within one year	(2,679,688)	988,490	(2,855)	(1,694,054)
Debt due after one year	(402,133)	19,762	2,855	(379,516)
	<u>(3,081,821)</u>	<u>1,008,252</u>	<u>-</u>	<u>(2,073,570)</u>
Net debt	<u>(1,946,552)</u>	<u>748,264</u>	<u>-</u>	<u>(1,198,289)</u>