

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 September 2013
for
Barco Sales Ltd**

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for the Year Ended 30 September 2013**

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Barco Sales Ltd
Company Information
for the Year Ended 30 September 2013

DIRECTORS: P R Barrow
S J Barrow
P J Barrow

SECRETARY: S J Barrow

REGISTERED OFFICE: 8 Hampstead Gate
1A Frognal
Hampstead
London
NW3 6AL

REGISTERED NUMBER: 02692195 (England and Wales)

SENIOR STATUTORY AUDITOR: A J Azarang ACA

AUDITORS: Brackman Chopra LLP
Registered Auditors
8 Hampstead Gate
1 A Frognal
Hampstead
London
NW3 6AL

Strategic Report
for the Year Ended 30 September 2013

The directors present their strategic report for the year ended 30 September 2013.

REVIEW OF BUSINESS

The Directors considered the results for the year, and the financial position at the end of it, to be in line with expectations.

Given the straightforward nature of the business, the company's Directors are of the opinion that analysis using key performance indicators ("KPI's") is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the business are considered to relate to competition from both national and independent wholesalers and from the current downturn in the UK economy.

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event that parties fail to perform their obligations under financial instruments.

FUTURE DEVELOPMENTS

The Directors anticipate that despite the general downturn in economic conditions the company will continue to maintain the current level of profitability.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives being:

- a) To finance its operations
- b) To manage its exposure to interest and currency risks arising from its operations and from sources for finance; and
- c) For trading purposes

The various financial instruments (eg trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations. The company does not use complicated financial instruments including derivative financial instruments for trading purposes.

The board regularly reviews the financial requirements of the company and the risks associated therewith. Company operations are primarily financed from retained earnings, intra-group company loans, Directors Loan Accounts and bank borrowings (including an overdraft facility).

ON BEHALF OF THE BOARD:



S J Barrow - Secretary

13 June 2014

**Report of the Directors
for the Year Ended 30 September 2013**

The directors present their report with the financial statements of the company for the year ended 30 September 2013.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2013.

DIRECTORS

The directors during the year under review were:

P R Barrow
S J Barrow
P J Barrow

The directors holding office at 30 September 2013 did not hold any beneficial interest in the issued share capital of the company at 1 October 2012 or 30 September 2013.

DISCLOSURE IN THE STRATEGIC REPORT

The directors have included disclosures regarding future developments and risk exposure within the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Brackman Chopra LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


S J Barrow Secretary

13 June 2014

**Report of the Independent Auditors to the Members of
Barco Sales Ltd**

We have audited the financial statements of Barco Sales Ltd for the year ended 30 September 2013 on pages five to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

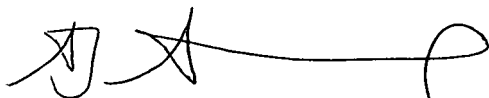
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



A J Azarang ACA (Senior Statutory Auditor)
for and on behalf of Brackman Chopra LLP
Registered Auditors
8 Hampstead Gate
1 A Frognal
Hampstead
London
NW3 6AL

13 June 2014

Barco Sales Ltd (Registered number: 02692195)

**Profit and Loss Account
for the Year Ended 30 September 2013**

	Notes	2013		2012	
		£	£	£	£
TURNOVER	2		12,803,585		13,496,800
Cost of sales			9,848,414		9,567,007
GROSS PROFIT			2,955,171		3,929,793
Administrative expenses			2,792,825		3,229,781
OPERATING PROFIT	4		162,346		700,012
Share of profit in associated partnership		20,405		82,666	
Interest receivable and similar income		15,496		15,796	
			35,901		98,462
			198,247		798,474
Amounts written off investments	5		(6,323)		(7,018)
			204,570		805,492
Interest payable and similar charges	6		111,654		144,526
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			92,916		660,966
Tax on profit on ordinary activities	7		3,885		83,169
PROFIT FOR THE FINANCIAL YEAR			89,031		577,797

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.


TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses other than the profits for the current year or previous year.

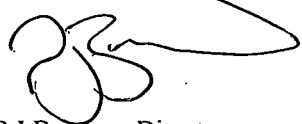
Balance Sheet
30 September 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	2,198,879	2,234,828
Investments	10	2,262,116	2,215,793
		<u>4,460,995</u>	<u>4,450,621</u>
CURRENT ASSETS			
Stocks	11	2,677,851	2,965,019
Debtors	12	4,534,355	4,258,273
Cash at bank and in hand		3,562,955	2,171,990
		<u>10,775,161</u>	<u>9,395,282</u>
CREDITORS			
Amounts falling due within one year	13	6,549,760	5,199,605
NET CURRENT ASSETS		<u>4,225,401</u>	<u>4,195,677</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,686,396</u>	<u>8,646,298</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,393,654)	(1,439,312)
PROVISIONS FOR LIABILITIES	18	(4,153)	(7,428)
NET ASSETS		<u><u>7,288,589</u></u>	<u><u>7,199,558</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	1,500	1,500
Profit and loss account	20	7,287,089	7,198,058
SHAREHOLDERS' FUNDS	24	<u><u>7,288,589</u></u>	<u><u>7,199,558</u></u>

The financial statements were approved by the Board of Directors on 13 June 2014 and were signed on its behalf by:


P R Barrow - Director


S J Barrow - Director


P J Barrow - Director

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 30 September 2013**

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	1,817,061	889,213
Returns on investments and servicing of finance	2	(75,753)	(46,064)
Taxation		(88,554)	(231,084)
Capital expenditure and financial investment	2	(134,034)	(38,492)
		<u>1,518,720</u>	<u>573,573</u>
Financing	2	(49,470)	(81,761)
Increase in cash in the period		<u>1,469,250</u>	<u>491,812</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		1,469,250	491,812
Cash outflow from decrease in debt and lease financing		<u>49,471</u>	<u>81,762</u>
Change in net funds resulting from cash flows		<u>1,518,721</u>	<u>573,574</u>
Movement in net funds in the period		<u>1,518,721</u>	<u>573,574</u>
Net funds/(debt) at 1 October		<u>421,108</u>	<u>(152,466)</u>
Net funds at 30 September		<u>1,939,829</u>	<u>421,108</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	162,346	700,012
Depreciation charges	128,734	150,640
Loss/(profit) on disposal of fixed assets	1,251	(30,261)
Decrease/(increase) in stocks	287,168	(127,822)
(Increase)/decrease in debtors	(276,082)	32,109
Increase in creditors	1,513,644	164,535
Net cash inflow from operating activities	1,817,061	889,213

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	15,496	15,796
Interest paid	(111,221)	(144,526)
Interest element of hire purchase payments	(433)	-
Profit share from associated partnership	5,653	6,773
Drawings from Big Screen Productions LLP	14,752	75,893
Net cash outflow for returns on investments and servicing of finance	(75,753)	(46,064)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(94,076)	(68,753)
Purchase of fixed asset investments	(40,000)	-
Sale of tangible fixed assets	42	30,261
Net cash outflow for capital expenditure and financial investment	(134,034)	(38,492)
Financing		
Loan repayments in year	(50,303)	(81,761)
Capital repayments in year	833	-
Net cash outflow from financing	(49,470)	(81,761)

Notes to the Cash Flow Statement
for the Year Ended 30 September 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/12 £	Cash flow £	At 30/9/13 £
Net cash:			
Cash at bank and in hand	2,171,990	1,390,965	3,562,955
Bank overdraft	(261,267)	78,285	(182,982)
	<u>1,910,723</u>	<u>1,469,250</u>	<u>3,379,973</u>
Debt:			
Hire purchase	-	(833)	(833)
Debts falling due within one year	(50,303)	4,646	(45,657)
Debts falling due after one year	<u>(1,439,312)</u>	<u>45,658</u>	<u>(1,393,654)</u>
	<u>(1,489,615)</u>	<u>49,471</u>	<u>(1,440,144)</u>
Total	<u>421,108</u>	<u>1,518,721</u>	<u>1,939,829</u>

Notes to the Financial Statements
for the Year Ended 30 September 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax and trade discounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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 the profit and loss account in the period to which they relate.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company wholly undertaken in the UK.

3. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	1,910,034	1,306,901
Social security costs	207,206	116,905
Other pension costs	22,238	118,633
	<u>2,139,478</u>	<u>1,542,439</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2013	2012
Warehouse and distribution	21	22
Sales	12	12
Administration	15	14
	<u>48</u>	<u>48</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation - owned assets	128,732	150,640
Loss/(profit) on disposal of fixed assets	1,251	(30,261)
Auditors remuneration - audit of the financial statements	27,225	24,750
Taxation compliance services	2,500	2,500
Other non-audit services	16,278	13,304
Operating lease rentals - Motor vehicles	560	9,400
Operating lease rentals - Office equipment	1,404	1,379
	<u>812,074</u>	<u>253,333</u>
Directors' remuneration	4,800	101,200
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2013 £	2012 £
Emoluments etc	648,074	103,333
Pension contributions to money purchase schemes	-	1,200

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2013 £	2012 £
Amounts written off investment	<u>(6,323)</u>	<u>(7,018)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	11,112	12,132
Directors loan interest	94,504	101,528
Interest on holding company loan	5,525	30,866
Interest on tax paid late	80	-
Hire purchase	433	-
	<u>111,654</u>	<u>144,526</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Current tax:		
UK corporation tax	-	88,580
Adjustments in respect of previous periods	7,160	-
Total current tax	7,160	88,580
Deferred tax	(3,275)	(5,411)
Tax on profit on ordinary activities	<u>3,885</u>	<u>83,169</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	<u>92,916</u>	<u>660,966</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 24.931%)	18,583	164,785
Effects of:		
Adjustments to tax charge in respect of previous periods tax purposes	7,160	-
Capital allowances for period in excess of depreciation	3,069	2,278
Utilisation of tax losses	(21,755)	(63,440)
Partnership taxable income in excess of income arising in the year losses previous periods	103	(15,043)
Current tax charge	<u>7,160</u>	<u>88,580</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

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 £4,800 (2012: £101,200).

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 £17,437 (2012: £17,433). As at 30 September 2013 contributions in the sum of £2,669 (2012: £2,541) were outstanding.

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2012	2,359,904	403,363	260,753	463,454	3,487,474
Additions	-	51,528	33,449	9,099	94,076
Disposals	-	(9,688)	-	(62,859)	(72,547)
At 30 September 2013	2,359,904	445,203	294,202	409,694	3,509,003
DEPRECIATION					
At 1 October 2012	306,310	354,328	167,694	424,314	1,252,646
Charge for year	29,198	21,309	58,195	20,030	128,732
Eliminated on disposal	-	(8,395)	-	(62,859)	(71,254)
At 30 September 2013	335,508	367,242	225,889	381,485	1,310,124
NET BOOK VALUE					
At 30 September 2013	2,024,396	77,961	68,313	28,209	2,198,879
At 30 September 2012	2,053,594	49,035	93,059	39,140	2,234,828

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
Additions	33,449
At 30 September 2013	33,449
NET BOOK VALUE	
At 30 September 2013	33,449

10. FIXED ASSET INVESTMENTS

	2013 £	2012 £
Participating interests	2	2
Other investments not loans	2,262,114	2,215,791
	2,262,116	2,215,793

Notes to the Financial Statements - continued
for the Year Ended 30 September 201310. **FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

	Interest in other participating interests £	Unlisted investments £	Totals £
COST			
At 1 October 2012 and 30 September 2013	2	2,247,874	2,247,876
PROVISIONS			
At 1 October 2012	-	32,083	32,083
Provision for year	-	(6,323)	(6,323)
At 30 September 2013	-	25,760	25,760
NET BOOK VALUE			
At 30 September 2013	2	2,222,114	2,222,116
At 30 September 2012	2	2,215,791	2,215,793

Investments (neither listed nor unlisted) were as follows:

	2013 £	2012 £
Option over motor vehicle	40,000	-

The company's investments at the balance sheet date in the share capital of companies include the following:

Associated companies**Bessemer Road Management Company Ltd**

Country of incorporation: England & Wales

Nature of business: Property Management

	% holding	31/5/13 £	31/5/12 £
Class of shares:			
Ordinary	40.00		
Aggregate capital and reserves		(1,781)	(1,531)
Loss for the year		(250)	(243)

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

10. **FIXED ASSET INVESTMENTS - continued**

Big Screen Productions 4 LLP

Nature of business: England & Wales

	% holding	2013 £	2012 £
Class of shares:	11.55		
Film scheme			
Aggregate capital and reserves		6,272,000	6,336,000
Profit for the year		21,000	97,000

Unlisted investments represent the company's 11.55 % interest in Big Screen Productions 4 LLP and a 1.31% equity interest in Trieste Film Partners, a general partnership carrying on a business in British films. The provision for diminution in value of £6,323 (2012: £7,018) was recovered against the original cost of the investment of £620,105.

On 30 September 2013 the company purchased an option over a Limited Edition motor vehicle for 5 years from P J Barrow. Under the terms of the option the amount paid to the seller if exercised would be discounted by 10% and the £40,000 paid for the option.

11. **STOCKS**

	2013 £	2012 £
Finished goods	2,677,851	2,965,019

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

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade debtors	2,056,561	2,044,065
Amounts owed by group undertakings	2,303,207	2,054,308
Other debtors	700	1,600
Prepayments and accrued income	173,887	158,300
	4,534,355	4,258,273

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 15)	228,639	302,343
Other loans (see note 15)	-	9,227
Hire purchase contracts (see note 16)	833	-
Trade creditors	1,002,605	510,223
Amounts owed to connected companies	380,599	333,201
Amounts owed to group undertakings	989,717	1,426,147
Tax	(1,495)	79,899
Social security and other taxes	120,277	44,799
VAT	78,658	23,841
Other creditors	2,669	2,540
Directors' current accounts	3,696,883	2,426,940
Accruals and deferred income	50,375	40,445
	<u>6,549,760</u>	<u>5,199,605</u>

The Clydesdale bank loans are secured over the company's share of lease rental income receivable from the Trieste Film Partners investment included under other investments in note 10.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Bank loans (see note 15)	168,087	213,745
Other loans (see note 15)	1,225,567	1,225,567
	<u>1,393,654</u>	<u>1,439,312</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	182,982	261,267
Bank loans	45,657	41,076
Holding company loan	-	9,227
	<u>228,639</u>	<u>311,570</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>50,632</u>	<u>45,658</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	117,455	168,087
Holding company loan	1,225,567	1,225,567
	<u>1,343,022</u>	<u>1,393,654</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

15. **LOANS - continued**

The bank loans are secured on company assets as detailed in note 13 above.

The bank loans are repayable by annual instalments over 15 years (comprising principal and interest elements) and accrue interest at a weighted average fixed rate of 4.699% per annum.

16. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2013 £	2012 £
Gross obligations repayable:		
Within one year	<u>985</u>	<u>-</u>
Finance charges repayable:		
Within one year	<u>152</u>	<u>-</u>
Net obligations repayable:		
Within one year	<u><u>833</u></u>	<u><u>-</u></u>

17. **FINANCIAL INSTRUMENTS**

As at 30 September 2013 the company has the following financial commitments under Forward Foreign Currency Contracts:-

Maturity	Sell £	Buy \$
1 October 2013	154,706	250,000
7 October 2013	32,300	50,000
5 November 2013	32,303	50,000
4 December 2013	32,313	50,000

18. **PROVISIONS FOR LIABILITIES**

	2013 £	2012 £
Deferred tax	<u>4,153</u>	<u>7,428</u>
		Deferred tax
		£
Balance at 1 October 2012		7,428
Movements in the year		<u>(3,275)</u>
Balance at 30 September 2013		<u><u>4,153</u></u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
1,500	Ordinary	£1	<u>1,500</u>	<u>1,500</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

20. RESERVES

	Profit and loss account £
At 1 October 2012	7,198,058
Profit for the year	89,031
At 30 September 2013	<u>7,287,089</u>

21. ULTIMATE PARENT COMPANY

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

22. CAPITAL COMMITMENTS

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as follows:-

	2013 £	2012 £
Expiry date:		
Within one year	-	-
In second to fifth years inclusive	1,379	1,379

23. RELATED PARTY DISCLOSURES

At the balance sheet date the amount due from Starfish Records Ltd, a fellow group undertaking, was £2,303,207 (2012: £2,054,308). During the year £248,898 was transferred to Starfish Records Ltd as an interest free group loan repayable on demand.

At the balance sheet date the amount due to/(from) Barco Holdings Ltd, the company's parent undertaking, was £989,717 (2012: £1,426,147) this amount is an interest free group loan repayable on demand. During the year Barco Holdings Ltd invoiced Management charges of £100,000 (2012: £1,200,000).

At 30 September 2008 Barco Holdings Ltd entered into a loan agreement with Ingenious Resources Ltd for a loan of £1,279,821. The money received was then loaned to Barco Sales Ltd to assist with the funding of the investment in Big Screen Productions 4 LLP. The loan is repayable on the earlier of the winding up of Big Screen Productions 4 LLP, the sale of its assets, termination of its operators agreements or 30 September 2016. The intercompany loan is shown in long term creditors in note 15. The remainder of Tranche A loan £9,227 was fully repaid during the year. The balance of the loan is due for payment within two - five years of the balance sheet date. The loan shown in Barco Holdings Ltd is secured on the company's investment in Big Screen Productions 4 LLP. The loan accrues interest at 2 percent above bank base rate. Interest payable to Ingenious Resources Ltd by Barco Holdings Ltd and consequently payable by Barco Sales Ltd to Barco Holdings Ltd for the year ended 30 September 2013 was £5,525 (2012: £30,866). This was paid directly out of Barco Sales Ltd investment income to Ingenious Resources Ltd on behalf of Barco Holdings Ltd as per the notice of assignment of Interest.

During the year the company paid £697,016 royalty to PR and SJ Barrow in respect of utilisation of the Taurus brand.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2013

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	89,031	577,797
Net addition to shareholders' funds	89,031	577,797
Opening shareholders' funds	7,199,558	6,621,761
Closing shareholders' funds	7,288,589	7,199,558