

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 September 2022
for
Barco Sales Ltd**

**Contents of the Financial Statements
for the Year Ended 30 September 2022**

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Barco Sales Ltd
Company Information
for the Year Ended 30 September 2022

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

**Strategic Report
for the Year Ended 30 September 2022**

The directors present their strategic report for the year ended 30 September 2022.

REVIEW OF BUSINESS

The company's principal activity is that of purchase and sale of plumbing equipment to the wholesale market.

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

The directors regard turnover and gross margin as key performance indicators of the business. The Company experienced a decrease in Turnover of 10.7% on last year and an 8.1% decrease on gross margin. Following an exceptionally strong year in 2021, sales were reduced but in line with pre-covid trends, with sales 6.2% higher than in 2019. Gross margin percentage improved due to opportunities to utilise our significant stock holding to mitigate the impact of rising inflation on our purchasing costs. .

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 instability in the UK economy as a result of rising inflation and interest rates.

UK MACRO-ECONOMIC CONDITIONS

The current instability in the UK economy as a result of rising inflation and interest rates creates a number of risks and challenges for the company.

Most significant is the risk of default by customers who are themselves facing challenging market conditions in this environment. The company monitors credit risk closely and considers that its current policies 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.

Rising inflation creates risks that margins and profitability will be reduced if the Company is unable to pass on cost increases in the market. The Directors are monitoring and managing the impact of inflation on the business and taking steps to mitigate these risks.

Rising interest rates do not create any direct risk for the Company but may result in a recession causing a reduction in demand for the Company's products. The Company has a strong balance sheet and finances its operations from internal resources, so is well placed to manage any reduction in sales as result of an economic recession or increased competition.

COVID 19

The Directors continue to monitor the impact of the Covid 19 pandemic on the company and have concluded that there is no impact on the recoverability of assets recognised on the balance sheet or the Company's ability to continue as a going concern.

UKRAINE

The Directors are mindful of the global macro-economic uncertainty from the ongoing tragic events in Ukraine. The impact of this situation on the Company is minimal and the Company is well positioned to mitigate any further risk in 2023.

BREXIT

The company has not been directly impacted by Brexit as we trade minimally with the EU. Whilst there have been wider repercussions due to significant market instability, supply chain disruption and revenue volatility. This has had a positive impact on the business in a market of supply shortages we have been able to utilise our significant stock holding to maintain profitability alongside securing further cash liquidity of the business.

**Strategic Report
for the Year Ended 30 September 2022**

FUTURE DEVELOPMENTS

No change in the Company's strategy is anticipated in the foreseeable future.

After a strong start to the current financial year, the Company has seen some softening of demand in recent months but the Directors remain confident in the Company's position despite the challenging market conditions.

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

12 September 2023

**Report of the Directors
for the Year Ended 30 September 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of purchase and sale of plumbing equipment to the wholesale market.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £1,333.33 per share.

The total distribution of dividends for the year ended 30 September 2022 will be £ 2,000,000 .

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 2022 did not hold any beneficial interest in the issued share capital of the company at 1 October 2021 or 30 September 2022.

DONATIONS

During the year the company donated £20,040 (2021:£1,242) to charity for the following purposes:-

	2022	2021
	£	£
Duchenne UK	20,000	-
Rainy day trust	-	42
Waste not want not	-	200
Just giving	-	1,000
The Talent Fund	40	-
	20,040	1,242

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 Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

**Report of the Directors
for the Year Ended 30 September 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

12 September 2023

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

Opinion

We have audited the financial statements of Barco Sales Ltd (the 'company') for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatements from irregularities, including fraud, and instances of non-compliance with laws and regulations. Based on our understanding of the company and industry we designed our audit procedures to detect irregularities, including fraud. Testing undertaken included making enquiries of the management; journal entry testing; reviewing financial statement disclosures and testing the supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

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.

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

12 September 2023

Barco Sales Ltd (Registered number: 02692195)

**Statement of Comprehensive
Income
for the Year Ended 30 September 2022**

	Notes	2022 £	2021 £
TURNOVER	4	14,845,890	16,616,092
Cost of sales		<u>10,540,678</u>	<u>11,932,221</u>
GROSS PROFIT		4,305,212	4,683,871
Administrative expenses		<u>2,669,629</u>	<u>2,699,588</u>
		1,635,583	1,984,283
Other operating income	5	<u>36,608</u>	<u>4,097</u>
OPERATING PROFIT	7	1,672,191	1,988,380
Interest receivable and similar income		<u>2,168</u>	<u>1,340</u>
		1,674,359	1,989,720
Amounts written off investments	8	<u>-</u>	<u>-</u>
		1,674,359	1,989,720
Interest payable and similar expenses	9	<u>79,737</u>	<u>45,781</u>
PROFIT BEFORE TAXATION		1,594,622	1,943,939
Tax on profit	10	<u>789,343</u>	<u>343,657</u>
PROFIT FOR THE FINANCIAL YEAR		805,279	1,600,282
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>805,279</u>	<u>1,600,282</u>

The notes form part of these financial statements

Barco Sales Ltd (Registered number: 02692195)

**Balance Sheet
30 September 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	13		1,984,644		2,032,862
Investments	14		<u>2</u>		<u>871,768</u>
			1,984,646		2,904,630
CURRENT ASSETS					
Stocks	15	3,667,451		3,320,850	
Debtors	16	6,593,742		6,222,680	
Cash at bank and in hand		<u>3,386,775</u>		<u>3,261,904</u>	
		13,647,968		12,805,434	
CREDITORS					
Amounts falling due within one year	17	<u>5,584,884</u>		<u>4,946,688</u>	
NET CURRENT ASSETS			<u>8,063,084</u>		<u>7,858,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,047,730		10,763,376
PROVISIONS FOR LIABILITIES	19		<u>540,009</u>		<u>60,934</u>
NET ASSETS			<u>9,507,721</u>		<u>10,702,442</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,500		1,500
Retained earnings	21		<u>9,506,221</u>		<u>10,700,942</u>
SHAREHOLDERS' FUNDS			<u>9,507,721</u>		<u>10,702,442</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2023 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

Barco Sales Ltd (Registered number: 02692195)

**Statement of Changes in Equity
for the Year Ended 30 September 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	1,500	10,100,660	10,102,160
Changes in equity			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	1,600,282	1,600,282
Balance at 30 September 2021	<u>1,500</u>	<u>10,700,942</u>	<u>10,702,442</u>
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	805,279	805,279
Balance at 30 September 2022	<u>1,500</u>	<u>9,506,221</u>	<u>9,507,721</u>

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 30 September 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,628,378	2,396,890
Interest paid		(79,737)	(45,349)
Interest element of hire purchase or finance lease rental payments paid		-	(432)
Tax paid		(360,520)	(341,843)
Furlough income		-	4,097
Net cash from operating activities		<u>2,188,121</u>	<u>2,013,363</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(94,919)	(216,698)
Sale of tangible fixed assets		29,501	45,494
Interest received		2,168	1,340
Net cash from investing activities		<u>(63,250)</u>	<u>(169,864)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(2,000,000)</u>	<u>(1,000,000)</u>
Net cash from financing activities		<u>(2,000,000)</u>	<u>(1,000,000)</u>
Increase in cash and cash equivalents		<u>124,871</u>	<u>843,499</u>
Cash and cash equivalents at beginning of year	2	3,261,904	2,418,405
Cash and cash equivalents at end of year	2	<u>3,386,775</u>	<u>3,261,904</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	1,594,622	1,943,939
Depreciation charges	128,161	126,557
Profit on disposal of fixed assets	(14,525)	(43,343)
Government grants	-	(4,097)
Finance costs	79,737	45,781
Finance income	(2,168)	(1,340)
	<u>1,785,827</u>	<u>2,067,497</u>
Increase in stocks	(346,601)	(360,492)
Increase in trade and other debtors	(371,062)	(772,579)
Increase in trade and other creditors	1,560,214	1,462,464
Cash generated from operations	<u>2,628,378</u>	<u>2,396,890</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2022

	30/9/22 £	1/10/21 £
Cash and cash equivalents	<u>3,386,775</u>	<u>3,261,904</u>

Year ended 30 September 2021

	30/9/21 £	1/10/20 £
Cash and cash equivalents	3,261,904	2,424,981
Bank overdrafts	-	(6,576)
	<u>3,261,904</u>	<u>2,418,405</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/21 £	Cash flow £	At 30/9/22 £
Net cash			
Cash at bank and in hand	<u>3,261,904</u>	<u>124,871</u>	<u>3,386,775</u>
	<u>3,261,904</u>	<u>124,871</u>	<u>3,386,775</u>
Total	<u>3,261,904</u>	<u>124,871</u>	<u>3,386,775</u>

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

1. LEGAL FORM OF THE COMPANY

Barco Sales Ltd is a private company, limited by shares, incorporated in England. The company's principle place of business is 15 Bessemer Road, Welwyn Garden City, AL7 1HB. The company's registered office is disclosed on page 1.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Principal activity

The company's principal activity is that of purchase and sale of plumbing equipment to the wholesale market wholly in the UK.

Revenue Recognition

Turnover represents the amounts (excluding value added tax) derived from the sale of goods and services to customers during the year.

Revenue is recognised when the company becomes entitled to it - usually on the rendering of an invoice.

Investment Income

Investment income is recognised when the right to receive the payment is established.

Interest income

Interest income is recognised when the right to receive the payment is established.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and borrowing costs capitalised.

Depreciation and residual values

Land is not depreciated. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit & loss account within administrative expenses.

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

2. ACCOUNTING POLICIES - continued

Investments

Investment in associate

Investment in Bessemer Road Management Company Ltd is held at cost less accumulated depreciation.

Investment unlisted investments

Investments in Trieste Film Partners and Big Screen Productions 4 LLP have been valued at cost less impairment represented by the total original cost and partners current account which are reported separately in the company accounts.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Stock

Stocks are stated at the lower of cost and net estimated selling price less selling costs. Cost is based on the cost of purchase on a first in first out basis. Stock is recognised as an expense in the period in which the related revenue is recognised.

At each reporting date, stock is assessed for impairment. If the stock is impaired, the impairment loss is recognised immediately in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

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

2. ACCOUNTING POLICIES - continued

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as they fall due.

Foreign currencies

Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. The gains and losses on translation are included in the profit & loss account.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements, defined contribution pension scheme and death in service insurance.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The company operates a defined contribution plan for its employees and directors. 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 obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Dividends

Final dividends are recorded in the financial statements in the period in which they are approved by the company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

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

2. ACCOUNTING POLICIES - continued

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the members.

Having assessed the risks facing the company as set out in the strategic report, its financial position and profit & loss and cash flow forecasts, the members have concluded there is no impact on the recoverability of assets in the balance sheet or the ability to continue as a going concern.

The Directors are satisfied the Company has sufficient liquidity to meet its current liabilities and working capital requirements for the foreseeable future.

The company therefore continues to adopt the going concern basis in preparing the financial statements.

Provisions and contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when a) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or b) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow or resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial Instruments

The company has chosen to adopt the sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, investments and loans from fellow group company's are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is recognised in the profit & loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit & loss.

Financial assets are derecognised when a) the contractual rights to the cash flows from the asset expire or are settled or b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from connected and fellow group companies

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

2. ACCOUNTING POLICIES - continued

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including interest rate swaps and forward foreign exchange contracts are not basic financial instruments.

Forward foreign currency contracts have been recorded on the balance sheet at fair value using the rate of exchange ruling at the balance sheet date. The gains or losses have been calculated using the contracted rate compared to the rate of exchange ruling at the at the balance sheet date and are included in the profit & loss account.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle simultaneously.

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and Liabilities that are not readily apparent from other sources. The estimates and assumptions are based on all factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of fixed asset investments

The Company's investments are valued at cost less impairment. Impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

In the judgement of the directors, there is no longer an active market for this type of investment due to HMRC's extensive ongoing review and closure regime. On this basis, the company has fully impaired the cost of their initial investments.

Critical Accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. the resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:-

Provision for Tax - Investment Big Screen Productions 4 LLP

The Company's Corporation Tax provision of £479,575 relates to managements judgement of the amount of tax payable in relation to potential disallowed tax relief (before interest and penalties) previously claimed on this investment.

Principally, the uncertain tax items for which a provision is made, relate to capital allowances that had been claimed in the ordinary course of business which have now been subsequently withdrawn.

Due to the uncertainty of the proportion of loss relief to be disallowed, it is possible that at a future date, on conclusion of HMRC review the final outcome may vary significantly. On this basis the company has calculated it's maximum potential liability based on the assumption that 100% loss relief will be disallowed at the tax rates prevailing at the date of the original claim.

4. TURNOVER

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

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

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Covid19 Additional Relief Fund	36,608	-
Furlough income	-	4,097
	<u>36,608</u>	<u>4,097</u>

Income from Government Grants as a result of the Covid 19 pandemic have been recognised in other income.

The Company received £Nil (2021: £4,097) Furlough income from HMRC Coronavirus Job Retention Scheme "CJRS".

The Company received £36,608 (2021: £Nil) from Covid 19 Additional Relief Fund "CARF".

There are no unfulfilled conditions or other contingencies attached to these grants.

The company did not benefit directly from any other forms of government assistance.

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,606,637	1,675,122
Social security costs	165,933	166,367
Other pension costs	43,537	80,323
	<u>1,816,107</u>	<u>1,921,812</u>

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

	2022	2021
Warehouse and distribution	23	25
Sales	12	12
Administration	10	11
	<u>45</u>	<u>48</u>

	2022	2021
	£	£
Directors' remuneration	283,440	283,440
Directors' pension contributions to money purchase schemes	<u>4,000</u>	<u>40,400</u>

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

	2022	2021
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	150,000	150,000
Pension contributions to money purchase schemes	<u>4,000</u>	<u>40,400</u>

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

7. **OPERATING PROFIT**

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

	2022	2021
	£	£
Depreciation - owned assets	128,161	126,557
Profit on disposal of fixed assets	(14,525)	(43,343)
Auditors remuneration - audit of the financial statements	12,000	28,586
Taxation compliance services	4,000	4,000
Other non- audit services	59,662	28,961
Foreign exchange differences	878	1,309

8. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2022	2021
	£	£
Impairment of Film Partnership investment	871,765	-
Film Partnership Current Account Written Off	(871,765)	-
	-	-

9. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Directors loan interest	79,737	45,349
Hire purchase	-	432
	79,737	45,781

10. **TAXATION**

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	310,515	346,174
Adjustments in respect of previous periods	(248)	(7,609)
Big Screen Productions 4 LLP	479,575	-
Total current tax	789,842	338,565
Deferred tax	(499)	5,092
Tax on profit	789,343	343,657

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

10. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	2022 £	2021 £
Profit before tax	<u>1,594,622</u>	<u>1,943,939</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	302,978	369,348
Effects of:		
Expenses not deductible for tax purposes	1,609	1,370
Capital allowances in excess of depreciation	-	(16,306)
Depreciation in excess of capital allowances	12,278	-
Utilisation of tax losses	(6,350)	(8,238)
Adjustments to tax charge in respect of previous periods	(248)	(7,609)
Deferred Tax	(499)	5,092
Big Screen Productions 4 LLP	<u>479,575</u>	-
Total tax charge	<u>789,343</u>	<u>343,657</u>

11. **DIVIDENDS**

	2022 £	2021 £
Ordinary shares of £1 each		
Final	2,000,000	-
Interim	-	1,000,000
	<u>2,000,000</u>	<u>1,000,000</u>

12. **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 £4,000 (2021: £40,400).

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 £39,537 (2021: £39,923).

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

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2021	2,359,904	500,182	407,574	493,533	3,761,193
Additions	-	17,751	62,121	15,047	94,919
Disposals	-	(15,035)	(52,919)	(113,746)	(181,700)
At 30 September 2022	<u>2,359,904</u>	<u>502,898</u>	<u>416,776</u>	<u>394,834</u>	<u>3,674,412</u>
DEPRECIATION					
At 1 October 2021	569,094	468,031	243,504	447,702	1,728,331
Charge for year	29,198	11,643	69,232	18,088	128,161
Eliminated on disposal	-	(15,035)	(37,943)	(113,746)	(166,724)
At 30 September 2022	<u>598,292</u>	<u>464,639</u>	<u>274,793</u>	<u>352,044</u>	<u>1,689,768</u>
NET BOOK VALUE					
At 30 September 2022	<u>1,761,612</u>	<u>38,259</u>	<u>141,983</u>	<u>42,790</u>	<u>1,984,644</u>
At 30 September 2021	<u>1,790,810</u>	<u>32,151</u>	<u>164,070</u>	<u>45,831</u>	<u>2,032,862</u>

14. FIXED ASSET INVESTMENTS

	Interest in other participating interests £	Unlisted investments £	Totals £
COST			
At 1 October 2021 and 30 September 2022	<u>2</u>	<u>1,022,307</u>	<u>1,022,309</u>
PROVISIONS			
At 1 October 2021	-	150,541	150,541
Provision for year	-	871,766	871,766
At 30 September 2022	<u>-</u>	<u>1,022,307</u>	<u>1,022,307</u>
NET BOOK VALUE			
At 30 September 2022	<u>2</u>	<u>-</u>	<u>2</u>
At 30 September 2021	<u>2</u>	<u>871,766</u>	<u>871,768</u>

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

14. **FIXED ASSET INVESTMENTS - continued**

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

Registered office: Barco House, 15 Bessemer Road, Welwyn Garden City, AL7 1HB, UK

Nature of business: Property Management

	% holding	31/5/22 £	31/5/21 £
Class of shares:			
Ordinary	40.00		
Aggregate capital and reserves		(2,952)	(2,535)
Loss for the year		<u>(417)</u>	<u>(742)</u>

Big Screen Productions 4 LLP

Registered office: 15 Golden Square, London, W1F 9JG, UK

Nature of business: Film production

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	4.90		
Aggregate capital and reserves		27,747	28,966
Profit for the year		<u>32,048</u>	<u>25,760</u>

Unlisted investments comprise equity interest in Big Screen Productions 4 LLP and Trieste Film Partners.

Big Screen Productions 4 LLP

The company owns a 4.9% equity interest in Big Screen Productions 4 LLP (2021: 4.9%). This investment is stated after provision for impairment of £265,120 (2021: £Nil).

Trieste Film Partners

The company owns a 1.31% equity interest in Trieste Film Partners (2021: £1.31%), a general partnership carrying on a business in British films. This investment is stated after provision for impairment of £606,645(2021: £Nil).

15. **STOCKS**

	2022 £	2021 £
Finished goods	<u>3,667,451</u>	<u>3,320,850</u>

Stock is stated after provisions for impairment of £35,714 (2021: £39,224).

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

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

	2022	2021
	£	£
Trade debtors	2,664,143	2,243,905
Amounts owed by group undertakings	3,720,975	3,759,747
Other debtors	325	1,185
Prepayments and accrued income	208,299	217,843
	<u>6,593,742</u>	<u>6,222,680</u>

Trade debtors are stated after provisions for impairment of £23,354 (2021: £3,347).

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

17. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	1,539,524	1,022,918
Amounts owed to connected companies	-	871,765
Amounts owed to group undertakings	2,000,000	-
Tax	88,410	138,663
Social security and other taxes	65,150	65,037
VAT	240,652	352,575
Other creditors	6,240	6,826
Derivative liability	-	1,309
Directors' current accounts	1,470,385	2,318,971
Accruals and deferred income	174,523	168,624
	<u>5,584,884</u>	<u>4,946,688</u>

On 30 September 2022 Barco Holdings Ltd extended a £2,000,000 interest free loan to Barco Sales Ltd due and repayable on demand.

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

18. FINANCIAL INSTRUMENTS

The company enters into forward foreign currency contracts to manage its exposure to currency risks arising from its operations.

As at 30 September 2022 the Company had no commitments under Forward Foreign Currency Contracts.

As at the 30 September 2021 the company had the following commitments under Forward Foreign Currency Contracts):-

Maturity	Sell £	Buy \$	Contract rate	Spot Rate	Gain/(Loss)
4 October 2021	74,493	100,000	1.34242	1.3540	(637)
4 October 2021	74,527	100,000	1.341801	1.3540	(672)
Loss on Derivative					<u>(£1,309)</u>
Derivative Liability at30 September 2022					<u>£Nil</u>
Derivative Liability at30 September 2021					<u>£1,309</u>

19. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	60,434	60,934
Big Screen Productions 4 LLP Tax	<u>479,575</u>	<u>-</u>
	<u>540,009</u>	<u>60,934</u>
		Deferred tax £
Balance at 1 October 2021		60,934
Movements in the year		<u>(500)</u>
Balance at 30 September 2022		<u>60,434</u>

The company held investments in the following Film Partnership during the year ended 30 September 2022:-

Big Screen Productions 4 LLP

At 30 September 2022 the Company has made a corporation tax provision of £479,575 in relation to the maximum potential disallowed tax relief (before interest and penalties) previously claimed on this investment. This was paid in full on 23 May 2023.

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

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
1,500	Ordinary	£1	<u>1,500</u>	<u>1,500</u>

21. **RESERVES**

	Retained earnings £
At 1 October 2021	10,700,942
Profit for the year	805,279
Dividends	<u>(2,000,000)</u>
At 30 September 2022	<u>9,506,221</u>

22. **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.

23. **CONTINGENT LIABILITIES**

The company held an investment in the following Film Partnership during the year ended 30 September 2022:-

Trieste Film Partners

Although not as yet issued the Promoter of the Film Partnership has indicated that HMRC may issue Partner Payment/Accelerated Payment notices withdrawing the tax relief previously received by the Company on this Film Partnership. In the event that HMRC succeed in the challenge to disallow the tax relief previously claimed the maximum potential tax liability (before interest and penalties) will be £113,519.

24. **CAPITAL COMMITMENTS**

	2022	2021
	£	£
Contracted but not provided for in the financial statements	<u>128,859</u>	<u>-</u>

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

25. RELATED PARTY DISCLOSURES

At the balance sheet date the amount due from Starfish Records Ltd, a fellow group undertaking, was £2,968, 361 (2021: £2,926,461). During the year £41,900 was transferred to Starfish Records Ltd. Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

At the balance sheet date the amount due to/(from) Barco holdings Ltd, the company's parent undertaking was £752,614 (2021: £833,286) this amount is an interest free group loan repayable on demand.

On 30 September 2022 Barco Holdings Ltd extended a £2,000,000 interest free Loan to Barco Sales Ltd due and repayable on demand.

During the year Barco Holdings Ltd invoiced Management charges of £100,000 (2021:£100,000). Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

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