

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 September 2019
for
Barco Holdings Ltd**

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for the Year Ended 30 September 2019**

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Barco Holdings Ltd
Company Information
for the Year Ended 30 September 2019

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:	03904065 (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

**Group Strategic Report
for the Year Ended 30 September 2019**

The directors present their strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS

The principal activities of the group in the year under review were:-

Barco Sales Ltd - Buying and selling of plumbing, building and engineering equipment.

Starfish Records Ltd - Recording company

Barco Holdings Ltd - Holding company

The remainder of the group were dormant throughout the year.

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.

Despite uncertain trading conditions as a result of Brexit 2019 was a year of reasonable performance for the group. the group experienced a moderate increase in both turnover of 1.4% on last year and a 4.6% increase on gross margin due to competitive purchasing strategies implemented during the year.

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 Covid 19 and Brexit.

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

The Group 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.

COVID 19

The Covid 19 pandemic has been unprecedented in scale and pace of impact and has changed the way people around the world live their lives.

The group has successfully maintained business continuity throughout the various phases of the pandemic so far utilising the UK's Coronavirus Job Retention Scheme where necessary alongside remote working in the face of UK lockdown measures. Subsequently, operating with social distancing measures in place across the warehouse and offices to protect staff and customers.

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.

Moving forward our strong liquidity position means that we are able to sustain the business throughout the crisis and take advantage of market opportunities as they arise.

BREXIT

The Directors acknowledge that, whilst Brexit will create market instability and associated revenue volatility, this is likely to have a positive impact on the group business as all supply and demand channels are UK based.

FUTURE DEVELOPMENTS

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

**Group Strategic Report
for the Year Ended 30 September 2019**

FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Group 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 Group's operations. The Group does not use complicated financial instruments including derivative financial instruments for trading purposes.

The board regularly reviews the financial requirements of the Group and the risks associated therewith. Group 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

28 September 2020

Barco Holdings Ltd (Registered number: 03904065)

**Report of the Directors
for the Year Ended 30 September 2019**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2019.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were:-

Barco Sales Ltd - Buying and selling of plumbing, building and engineering equipment.

Starfish Records Ltd - Recording company

Barco Holdings Ltd - Holding company

The remainder of the group were dormant throughout the year.

DIVIDENDS

Interim dividends per share were paid as follows:

£140,000	- 8 April 2019
£120,000	- 7 May 2019
£100,000	- 7 June 2019
£40,000	- 7 July 2019
<u>£100,000</u>	- 7 August 2019
<u>£500,000</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2019 will be £ 500,000 .

In accordance with deed of dividend waiver dated 29 March 2019, in respect dividends which the company may declare and pay commencing from 1 April 2019, SJ and PR Barrow waived their entitlement to receive dividends from the company for all periods up to 5 April 2020 in order to preserve the cash liquidity of the group.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

P R Barrow
S J Barrow
P J Barrow

**Report of the Directors
for the Year Ended 30 September 2019**

POLITICAL DONATIONS AND EXPENDITURE

During the year the company donated £4,930 (2018:£5,346) to charity for the following purposes:-

	2019	2018
	£	£
Macmillan	-	181
Cancer Research	120	-
Just giving	-	100
Children in need	10	20
Air ambulance	1,000	5,000
Codicote School	100	-
Royal British Legion	100	-
Hospices	-	45
Sufferers of Bone Cancer	3,600	-
	<u>4,930</u>	<u>5,346</u>

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 Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

**Report of the Directors
for the Year Ended 30 September 2019**

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

28 September 2020

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

Opinion

We have audited the financial statements of Barco Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 30 September 2019 and of the group's 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Group 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 Group 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 Holdings Ltd**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 page 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 group's and the parent 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 group or the parent 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.

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.

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

28 September 2020

Barco Holdings Ltd (Registered number: 03904065)

**Consolidated Statement of Comprehensive Income
for the Year Ended 30 September 2019**

	Notes	2019 £	£	2018 £	£
TURNOVER	4		13,983,732		13,795,769
Cost of sales			<u>10,219,998</u>		<u>10,197,741</u>
GROSS PROFIT			3,763,734		3,598,028
Distribution costs		26,790		17,451	
Administrative expenses		<u>2,374,431</u>		<u>2,413,666</u>	
			<u>2,401,221</u>		<u>2,431,117</u>
OPERATING PROFIT	6		1,362,513		1,166,911
Income from fixed asset investments		2,852		3,679	
Interest receivable and similar income		<u>3,059</u>		<u>917</u>	
			<u>5,911</u>		<u>4,596</u>
			1,368,424		1,171,507
Amounts written off investments	7		<u>-</u>		<u>40,028</u>
			1,368,424		1,131,479
Interest payable and similar expenses	8		<u>25,129</u>		<u>53,704</u>
PROFIT BEFORE TAXATION			1,343,295		1,077,775
Tax on profit	9		<u>254,372</u>		<u>225,275</u>
PROFIT FOR THE FINANCIAL YEAR			1,088,923		852,500
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>1,088,923</u>		<u>852,500</u>
Profit attributable to: Owners of the parent			<u>1,088,923</u>		<u>852,500</u>
Total comprehensive income attributable to: Owners of the parent			<u>1,088,923</u>		<u>852,500</u>

The notes form part of these financial statements

Barco Holdings Ltd (Registered number: 03904065)

**Consolidated Balance Sheet
30 September 2019**

	Notes	2019	2018
		£	£
FIXED ASSETS			
Tangible assets	13	1,947,600	2,060,696
Investments	14	<u>871,768</u>	<u>862,112</u>
		2,819,368	2,922,808
CURRENT ASSETS			
Stocks	15	3,101,610	2,696,666
Debtors	16	2,348,366	2,568,477
Cash at bank and in hand		<u>1,978,829</u>	<u>2,190,602</u>
		7,428,805	7,455,745
CREDITORS			
Amounts falling due within one year	17	<u>2,957,180</u>	<u>3,657,094</u>
NET CURRENT ASSETS		<u>4,471,625</u>	<u>3,798,651</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,290,993	6,721,459
PROVISIONS FOR LIABILITIES	19	<u>43,740</u>	<u>63,129</u>
NET ASSETS		<u>7,247,253</u>	<u>6,658,330</u>
CAPITAL AND RESERVES			
Called up share capital	20	1,500	1,500
Retained earnings	21	<u>7,245,753</u>	<u>6,656,830</u>
SHAREHOLDERS' FUNDS		<u>7,247,253</u>	<u>6,658,330</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2020 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 Holdings Ltd (Registered number: 03904065)

**Company Balance Sheet
30 September 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	13		-		-
Investments	14		<u>1,503</u>		<u>1,503</u>
			1,503		1,503
CURRENT ASSETS					
Debtors	16	10,191		432,783	
Cash at bank		<u>1,006,298</u>		<u>1,001,358</u>	
		1,016,489		1,434,141	
CREDITORS					
Amounts falling due within one year	17	<u>31,156</u>		<u>26,867</u>	
NET CURRENT ASSETS			<u>985,333</u>		<u>1,407,274</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>986,836</u>		<u>1,408,777</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,500		1,500
Retained earnings	21		<u>985,336</u>		<u>1,407,277</u>
SHAREHOLDERS' FUNDS			<u>986,836</u>		<u>1,408,777</u>
Company's profit for the financial year			<u>78,059</u>		<u>78,059</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2020 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 Holdings Ltd (Registered number: 03904065)

**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2017	1,500	5,804,330	5,805,830
Changes in equity			
Total comprehensive income	-	852,500	852,500
Balance at 30 September 2018	<u>1,500</u>	<u>6,656,830</u>	<u>6,658,330</u>
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	1,088,923	1,088,923
Balance at 30 September 2019	<u>1,500</u>	<u>7,245,753</u>	<u>7,247,253</u>

The notes form part of these financial statements

Barco Holdings Ltd (Registered number: 03904065)

**Company Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2017	1,500	1,329,218	1,330,718
Changes in equity			
Total comprehensive income	-	78,059	78,059
Balance at 30 September 2018	<u>1,500</u>	<u>1,407,277</u>	<u>1,408,777</u>
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	78,059	78,059
Balance at 30 September 2019	<u>1,500</u>	<u>985,336</u>	<u>986,836</u>

The notes form part of these financial statements

Barco Holdings Ltd (Registered number: 03904065)

**Consolidated Cash Flow Statement
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	747,060	913,695
Interest paid		(25,129)	(53,704)
Tax paid		(244,787)	(34,128)
Net cash from operating activities		<u>477,144</u>	<u>825,863</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,972)	(42,554)
Sale of tangible fixed assets		-	4,575
Interest received		3,059	917
Profit share Trieste Film Partnership		-	28
Drawings Big Screen Productions LLP		2,852	3,651
Net cash from investing activities		<u>(12,061)</u>	<u>(33,383)</u>
Cash flows from financing activities			
Equity dividends paid		(500,000)	-
Net cash from financing activities		<u>(500,000)</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		<u>(34,917)</u>	<u>792,480</u>
Cash and cash equivalents at beginning of year	2	1,864,979	1,072,499
Cash and cash equivalents at end of year	2	<u>1,830,062</u>	<u>1,864,979</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2019

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

	2019 £	2018 £
Profit before taxation	1,343,295	1,077,775
Depreciation charges	130,528	155,222
Loss/(profit) on disposal of fixed assets	539	(4,244)
Amounts written off investments	-	40,028
Finance costs	25,129	53,704
Finance income	(5,911)	(4,596)
	<u>1,493,580</u>	<u>1,317,889</u>
(Increase)/decrease in stocks	(404,944)	956,045
Decrease/(increase) in trade and other debtors	220,111	(87,552)
Decrease in trade and other creditors	(561,687)	(1,272,687)
Cash generated from operations	<u>747,060</u>	<u>913,695</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 2019

	30/9/19 £	1/10/18 £
Cash and cash equivalents	1,978,829	2,190,602
Bank overdrafts	(148,767)	(325,623)
	<u>1,830,062</u>	<u>1,864,979</u>

Year ended 30 September 2018

	30/9/18 £	1/10/17 £
Cash and cash equivalents	2,190,602	1,500,933
Bank overdrafts	(325,623)	(428,434)
	<u>1,864,979</u>	<u>1,072,499</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2019**

1. LEGAL FORM OF THE COMPANY

Barco Holdings 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 Group and Company 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.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

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

Any subsidiary undertakings sold or acquired during the year are included up to, or from the dates of change of control.

All intra- Group transactions, balances, income and expenses are eliminated on consolidation.

2. ACCOUNTING POLICIES - continued

Principal activity

The principal activities of the group in the year under review were:-

Barco Sales Ltd - Buying and selling of plumbing, building and engineering equipment.

Starfish Records Ltd - Recording company

Barco Holdings Ltd - Holding company

The remainder of the group were dormant throughout the year.

Revenue recognition

Turnover represents the amounts (excluding value added tax) derived from group activities during the year.

Revenue is recognised when the group 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

Plant & Machinery 25% Reducing balance

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.

2. ACCOUNTING POLICIES - continued

Investments - company

Investment in subsidiary companies

Investments in subsidiaries are held at cost less accumulated losses.

Investments - Group

Investment in associate

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

Investment unlisted investments

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdraft's. 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 Consolidated 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 tax in tax returns with respect to situation 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.

2. ACCOUNTING POLICIES - continued

Foreign currencies

Functional and presentation currency

The Group financial statements are presented in pound sterling.

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.

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.

Employee benefits

The Group 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

Barco Sales Ltd 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.

Going concern

The Group'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 believe that the group is well placed to manage its business successfully and will be able to maintain positive cash flows for the foreseeable future.

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

Provisions and contingencies

Provisions are recognised when the Group 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

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

2. ACCOUNTING POLICIES - continued

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 of 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 Group 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

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 Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group'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 In the application of the Group'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 Group's accounting policies

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

Impairment of fixed asset investments

For fixed asset investments carried at cost less impairment, the 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.

Where indicators exist for a decrease in the impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired fixed asset investment to the extent that the revised recoverable value does not lead to a revised carrying value amount higher than the carrying value had no impairment been recognised.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group wholly undertaken in the UK.

5. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	1,472,222	1,476,796
Social security costs	149,630	143,478
Other pension costs	44,951	103,876
	<u>1,666,803</u>	<u>1,724,150</u>

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

	2019	2018
Warehouse and distribution	17	16
Sales	12	12
Administration	16	17
	<u>45</u>	<u>45</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 45 (2018 - 45) .

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

5. EMPLOYEES AND DIRECTORS - continued

	2019	2018
	£	£
Directors' remuneration	283,440	290,636
Directors' pension contributions to money purchase schemes	<u>10,000</u>	<u>74,000</u>

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

	2019	2018
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	150,000	150,000
Pension contributions to money purchase schemes	<u>10,000</u>	<u>10,000</u>

6. OPERATING PROFIT

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

	2019	2018
	£	£
Depreciation - owned assets	130,529	155,223
Loss/(profit) on disposal of fixed assets	539	(4,244)
Auditors' remuneration	34,144	34,144
Taxation compliance services	2,888	2,888
Other non- audit services	36,121	20,724
Foreign exchange losses	<u>(21)</u>	<u>(6)</u>

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2019	2018
	£	£
Amounts written off investment	-	28
Loss on expiry of option	-	40,000
	<u>-</u>	<u>40,028</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Directors loan interest	25,129	53,703
Interest on tax paid late	-	1
	<u>25,129</u>	<u>53,704</u>

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

9. **TAXATION**

Analysis of the tax charge

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

	2019 £	2018 £
Current tax:		
UK corporation tax	273,760	244,730
Adjustments	-	(907)
Total current tax	<u>273,760</u>	<u>243,823</u>
Deferred tax	(19,388)	(18,548)
Tax on profit	<u>254,372</u>	<u>225,275</u>

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Profit before tax	<u>1,343,295</u>	<u>1,077,775</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2018 - 19 %)	255,226	204,777
Effects of:		
Expenses not deductible for tax purposes	435	19,228
Depreciation in excess of capital allowances	17,892	20,725
Adjustments to tax charge in respect of previous periods	-	(907)
Deferred tax	(19,388)	(18,548)
Unutilised tax losses	207	-
Total tax charge	<u>254,372</u>	<u>225,275</u>

10. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. **DIVIDENDS**

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>-</u>

In accordance with deed of dividend waiver dated 29 March 2019, in respect dividends which the company may declare and pay commencing from 1 April 2019, SJ and PR Barrow waived their entitlement to receive dividends from the company for all periods up to 5 April 2020 in order to preserve the cash liquidity of the group.

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

12. **PENSION COSTS**

Barco Sales Ltd 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 £10,000 (2018:£74,000).

Barco Sales Ltd 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 £34,951(2018:£29,876). As at 30 September 2019 contributions in the sum of £Nil (2018: £Nil) were outstanding.

13. **TANGIBLE FIXED ASSETS**

Group

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 October 2018	2,359,904	4,840	483,515
Additions	-	-	12,747
Disposals	-	-	(4,475)
At 30 September 2019	<u>2,359,904</u>	<u>4,840</u>	<u>491,787</u>
DEPRECIATION			
At 1 October 2018	481,500	3,276	434,231
Charge for year	29,198	392	15,436
Eliminated on disposal	-	-	(3,936)
At 30 September 2019	<u>510,698</u>	<u>3,668</u>	<u>445,731</u>
NET BOOK VALUE			
At 30 September 2019	<u>1,849,206</u>	<u>1,172</u>	<u>46,056</u>
At 30 September 2018	<u>1,878,404</u>	<u>1,564</u>	<u>49,284</u>

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

13. **TANGIBLE FIXED ASSETS - continued**

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 October 2018	366,101	442,012	3,656,372
Additions	-	5,225	17,972
Disposals	-	(1,379)	(5,854)
At 30 September 2019	<u>366,101</u>	<u>445,858</u>	<u>3,668,490</u>
DEPRECIATION			
At 1 October 2018	276,700	399,969	1,595,676
Charge for year	65,368	20,135	130,529
Eliminated on disposal	-	(1,379)	(5,315)
At 30 September 2019	<u>342,068</u>	<u>418,725</u>	<u>1,720,890</u>
NET BOOK VALUE			
At 30 September 2019	<u>24,033</u>	<u>27,133</u>	<u>1,947,600</u>
At 30 September 2018	<u>89,401</u>	<u>42,043</u>	<u>2,060,696</u>

14. **FIXED ASSET INVESTMENTS**

Group

	Interest in other participating interests £	Unlisted investments £	Totals £
COST			
At 1 October 2018 and 30 September 2019	<u>2</u>	<u>1,022,306</u>	<u>1,022,308</u>
PROVISIONS			
At 1 October 2018	-	160,196	160,196
Provision written back	-	(9,656)	(9,656)
At 30 September 2019	<u>-</u>	<u>150,540</u>	<u>150,540</u>
NET BOOK VALUE			
At 30 September 2019	<u>2</u>	<u>871,766</u>	<u>871,768</u>
At 30 September 2018	<u>2</u>	<u>862,110</u>	<u>862,112</u>

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

14. **FIXED ASSET INVESTMENTS - continued**

Company

Shares in
group
undertakings
£

COST

At 1 October 2018
and 30 September 2019

1,503

NET BOOK VALUE

At 30 September 2019
At 30 September 2018

1,503

1,503

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Barco Sales Ltd

Registered office: 8 Hampstead Gate, 1A Frognal, Hampstead, London NW3 6AL, UK
Nature of business: Plumbing Wholesaler

	% holding	2019 £	2018 £
Class of shares:			
Ordinary £1	100.00		
Aggregate capital and reserves		9,133,134	8,084,360
Profit for the year		<u>1,048,954</u>	<u>800,765</u>

Barco International Ltd

Registered office: 8 Hampstead Gate, 1A Frognal, Hampstead, London NW3 6AL, UK
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary £1	100.00

Barco Wholesale Ltd

Registered office: 8 Hampstead Gate, 1A Frognal, Hampstead, London NW3 6AL, UK
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary £1	100.00

Barco Holdings Ltd (Registered number: 03904065)

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

14. FIXED ASSET INVESTMENTS - continued

Starfish Records Ltd

Registered office: 8 Hampstead Gate, 1A Frognal, Hampstead, London NW3 6AL, UK

Nature of business: Record company

	%	2019	2018
	holding	£	£
Class of shares:			
Ordinary £1	100.00	(2,871,394)	(2,833,304)
Aggregate capital and reserves		(38,089)	(26,324)
Loss for the year		(38,089)	(26,324)

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

14. **FIXED ASSET INVESTMENTS - continued**

Associated companies

Bessemer Road Management Company Ltd

Registered office: 3 Prime Point, 15C Bessemer Road, Welwyn Garden City, AL7 1HU, UK
Nature of business: Property Management

Class of shares: % Holding
Ordinary 40

	31/5/2019	31/5/2018
Aggregate capital and reserves	(3,513)	(3,793)
Loss for the year	280	(48)

Big Screen Productions LLP

Registered office: 15 Golden Square, London, W1F 9JG, UK
Nature of business: Film Production

Class of shares: % Holding
Film scheme 4.9

	2019	2018
Aggregate capital and reserves	32,000	32,000
Loss for the year	(37,000)	(37,000)

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

Big Screen Productions 4 LLP

The Group owns a 4.9% equity interest in Big Screen Productions 4 LLP (2018: 4.9%). During the year the company received £2,8521 (2018: £3,651). This investment is stated after provision for impairment of £Nil (2018: £Nil).

Trieste Film Partners

The Group owns a 1.31% equity interest in Trieste Film Partners (2018: £1.31%), a general partnership carrying on a business in British films. This investment is stated after provision for impairment of £Nil (2018: £28).

Option

On 30 September 2013 the Group 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. The option was not exercised and expired during the year ended 30 September 2018.

15. **STOCKS**

	Group	
	2019	2018
	£	£
Finished goods	<u>3,101,610</u>	<u>2,696,666</u>

Stock is stated after provisions for impairment of £9,879 (2018: £11,445).

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

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,077,054	2,380,715	-	-
Amounts owed by group undertakings	-	-	10,191	432,783
Other debtors	1,100	-	-	-
Prepayments and accrued income	270,212	187,762	-	-
	<u>2,348,366</u>	<u>2,568,477</u>	<u>10,191</u>	<u>432,783</u>

Trade debtors are stated after provisions for impairment of £4,484 (2018: £5,499).

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

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 18)	148,767	325,623	-	-
Trade creditors	572,068	709,910	-	-
Amounts owed to connected companies	871,765	862,109	-	-
Tax	271,161	242,188	18,310	18,310
Social security and other taxes	41,730	41,784	-	-
VAT	229,601	338,277	9,289	5,000
Other creditors	2,706	1,795	-	-
Directors' current accounts	723,985	1,044,356	-	-
Accruals and deferred income	95,397	91,052	3,557	3,557
	<u>2,957,180</u>	<u>3,657,094</u>	<u>31,156</u>	<u>26,867</u>

Trade creditors are stated after provisions for impairment of £46 (2018: £9,823).

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

18. **LOANS**

An analysis of the maturity of loans is given below:

	Group
	2019
	£
Amounts falling due within one year or on demand:	
Bank overdrafts	<u>148,767</u>
	<u>325,623</u>

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

19. PROVISIONS FOR LIABILITIES

	Group	
	2019	2018
	£	£
Deferred tax	<u>43,740</u>	<u>63,129</u>
Group		
		Deferred tax
		£
Balance at 1 October 2018		63,129
Movements in the year		(19,389)
Balance at 30 September 2019		<u>43,740</u>

Company

The Company had no deferred tax provision at 30 September 2018 (2017:£Nil).

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
1,500	Ordinary	£1	<u>1,500</u>	<u>1,500</u>

21. RESERVES

Group				Retained earnings
				£
At 1 October 2018				6,656,830
Profit for the year				1,088,923
Dividends				(500,000)
At 30 September 2019				<u>7,245,753</u>
Company				Retained earnings
				£
At 1 October 2018				1,407,277
Profit for the year				78,059
Dividends				(500,000)
At 30 September 2019				<u>985,336</u>

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

22. CONTINGENT LIABILITIES

The Group held investments in the following Film Partnerships during the year ended 30 September 2019:-

Trieste Film Partners
Big Film Production 4 LLP

Although not as yet issued the Promoter of both Film Partnership has indicated that HMRC may issue Partner Payment/Accelerated Payment notices withdrawing the tax relief previously received by the Company on these two Film Partnerships. 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 £593,094.

23. RELATED PARTY DISCLOSURES

In accordance with deed of dividend waiver dated 29 March 2019, in respect dividends which the company may declare and pay commencing from 1 April 2019, SJ and PR Barrow waived their entitlement to receive dividends from the company for all periods up to 5 April 2020 in order to preserve the cash liquidity of the group.

24. POST BALANCE SHEET EVENTS

The impact of the Covid 19 pandemic on the groups operations is discussed within the principal risks and uncertainties on page 2.

Subsequent to the balance sheet date the group has monitored trade performance, internal actions as well as other relevant external factors (such as changes in any of the government restrictions). No adjustments to the key estimates and judgements that impact the balance sheet as at 30 September 2019 have been identified.

25. ULTIMATE CONTROLLING PARTY

The directors Peter, Sandra and Paul Barrow control the company by virtue of their 100% holding in the issued share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.