

Old Barn Framing Gallery Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2020

Old Barn Framing Gallery Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Balance Sheet	<u>3</u> to <u>4</u>
Notes to the Unaudited Financial Statements	<u>5</u> to <u>12</u>

Old Barn Framing Gallery Limited

Company Information

Director Mr C J Smith

Registered office 77a Cheap Street
Sherborne
Dorset
DT9 3BA

Accountants Lanham & Francis
Chartered Accountants
77a Cheap Street
Sherborne
Dorset
DT9 3BA

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory
Accounts of
Old Barn Framing Gallery Limited
for the Year Ended 31 March 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Old Barn Framing Gallery Limited for the year ended 31 March 2020 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Old Barn Framing Gallery Limited as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Old Barn Framing Gallery Limited and state those matters that we have agreed to state to the Board of Old Barn Framing Gallery Limited as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Old Barn Framing Gallery Limited and its Board as a body for our work or for this report.

It is your duty to ensure that Old Barn Framing Gallery Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Old Barn Framing Gallery Limited. You consider that Old Barn Framing Gallery Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Old Barn Framing Gallery Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Lanham & Francis
Chartered Accountants
77a Chicap Street
Sherborne
Dorset
DT9 3BA

31 March 2021

Old Barn Framing Gallery Limited

(Registration number: 06860716)
Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	18,342	20,159
Current assets			
Stocks	<u>5</u>	33,150	32,350
Debtors	<u>6</u>	207,285	187,839
Cash at bank and in hand		682	11,443
		<u>241,117</u>	<u>231,632</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(232,012)</u>	<u>(221,532)</u>
Net current assets		<u>9,105</u>	<u>10,100</u>
Total assets less current liabilities		27,447	30,259
Creditors: Amounts falling due after more than one year	<u>7</u>	(11,589)	(24,526)
Provisions for liabilities		<u>(3,485)</u>	<u>(3,830)</u>
Net assets		<u>12,373</u>	<u>1,903</u>
Capital and reserves			
Called up share capital	<u>8</u>	1	1
Profit and loss account		<u>12,372</u>	<u>1,902</u>
Shareholders' funds		<u>12,373</u>	<u>1,903</u>

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Old Barn Framing Gallery Limited

(Registration number: 06860716)

Balance Sheet as at 31 March 2020 (continued)

Approved and authorised by the director on 31 March 2021

Mr C J Smith

Director

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

77a Cheap Street
Sherborne
Dorset
DT9 3BA

The principal place of business is:

Unit 20, Old Yarn Mills
Westbury
Sherborne
Dorset
DT9 3RQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Foreign exchange profits or losses are charged to the profit and loss account where the sum involved is material.

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% on reducing balance
Office equipment	3 years straight line
Motor vehicles	25% on reducing balance

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

FRS 102 classifies financial instruments as either basic financial instruments or other financial instruments. The accounting treatment varies according to the classification.

Basic financial instruments are defined as one of the following:

- cash
- a debt instrument (such as accounts receivable and payable)
- commitment to receive a loan that satisfy certain criteria
- investments in non-convertible preference shares, and non puttable ordinary shares.

All other financial instruments are classed as other financial instruments and treated accordingly.

Recognition and measurement

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 13 (2019 - 13).

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2019	27,373	21,616	48,989
Additions	333	3,400	3,733
At 31 March 2020	27,706	25,016	52,722
Depreciation			
At 1 April 2019	15,335	13,495	28,830
Charge for the year	2,961	2,589	5,550
At 31 March 2020	18,296	16,084	34,380
Carrying amount			
At 31 March 2020	9,410	8,932	18,342
At 31 March 2019	12,038	8,121	20,159

5 Stocks

	2020 £	2019 £
Other inventories	33,150	32,350

6 Debtors

	2020 £	2019 £
Trade debtors	147,642	77,804
Prepayments	15,425	11,986
Other debtors	44,218	98,049
	207,285	187,839

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	9	12,759	12,059
Trade creditors		106,672	69,377
Taxation and social security		18,550	20,726
Accruals and deferred income		14,802	5,006
Other creditors		79,229	114,364
		<u>232,012</u>	<u>221,532</u>

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	9	<u>11,589</u>	<u>24,526</u>

Creditors include total bank loans and net obligations under finance lease and hire purchase contracts which are secured of £24,348 (2019 - £36,585).

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	6,464	12,071
Hire purchase contracts	<u>5,125</u>	<u>12,455</u>
	<u>11,589</u>	<u>24,526</u>

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

9 Loans and borrowings (continued)

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	5,428	4,728
Hire purchase contracts	7,331	7,331
	<u>12,759</u>	<u>12,059</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £90,622 (2019 - £107,984).

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

11 Related party transactions

Transactions with directors

	At 1 April 2019 £	Repayments by director £	At 31 March 2020 £
2020			
Mr C J Smith			
Interest free loan	74,147	(55,947)	18,200

	At 1 April 2018 £	Advances to directors £	At 31 March 2019 £
2019			
Mr C J Smith			
Interest free loan	66,946	7,201	74,147

Summary of transactions with entities with joint control or significant interest

Picture Business (Bournemouth) Ltd, a company in which C J Smith is a significant shareholder and the sole director.

Portfolio Fine Art Ltd, a company in which C J Smith is the shareholder and sole director.

There is an interest free inter-company loan account with each company.

Loans from related parties

	Entities with joint control or significant influence £	Total £
2020		
At start of period	86,852	86,852
Repaid	(35,820)	(35,820)
At end of period	51,032	51,032

	Entities with joint control or significant influence £	Total £
2019		
At start of period	65,524	65,524
Advanced	86,852	86,852
Repaid	(65,524)	(65,524)
At end of period	86,852	86,852

Old Barn Framing Gallery Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

12 Non adjusting events after the financial period

As a non-essential retail business the company has been unable to trade normally during lockdown periods of the Covid-19 pandemic. It has been able to undertake some work already in hand at the time of lockdown and has a sales facility on its website for artwork and prints but there has been a reduction in turnover, although the amount of this cannot be quantified. The company has used the furlough scheme throughout 2020/21, deferred payment of one quarter's VAT liability and received business rates relief. It has taken out a bounce back loan and received a grant from Dorset Council to enable it to meet its liabilities as they fall due.

Sherborne

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the Companies Act 2006.