

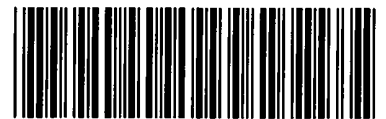
Company Registration No. 01362146 (England and Wales)

**BARNBROOK SYSTEMS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2017**

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# **BARNBROOK SYSTEMS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2017**

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

**BARNBROOK SYSTEMS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	4		97,077		95,894
<b>Current assets</b>					
Stocks		607,197		512,041	
Debtors	5	416,876		549,124	
Cash at bank and in hand		1,181,179		617,929	
		<u>2,205,252</u>		<u>1,679,094</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(372,650)</u>		<u>(197,195)</u>	
<b>Net current assets</b>			<u>1,832,602</u>		<u>1,481,899</u>
<b>Total assets less current liabilities</b>			<u>1,929,679</u>		<u>1,577,793</u>
<b>Provisions for liabilities</b>	7		<u>(65,671)</u>		<u>(48,632)</u>
<b>Net assets</b>			<u><u>1,864,008</u></u>		<u><u>1,529,161</u></u>
<b>Capital and reserves</b>					
Called up share capital			2		2
Profit and loss reserves			<u>1,864,006</u>		<u>1,529,159</u>
<b>Total equity</b>			<u><u>1,864,008</u></u>		<u><u>1,529,161</u></u>

The director of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 30/10/17

  
 .....  
 A R Barnett  
 Director

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

#### Company information

Barnbrook Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 25 Fareham Park Road, Fareham, Hampshire, PO15 6LD.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The 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.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised, exclusive of VAT, upon the issue of an invoice to the customer. All invoices are raised following the despatch of finished products to the customer.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2017

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#### 1 Accounting policies (Continued)

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or 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 the 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 profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies (Continued)

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies (Continued)

#### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Warranty provisions**

Provision is made for liabilities arising in respect of expected warranty claims on warranties provided in conjunction with the sale of goods.

#### **Employee benefits**

The costs of employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **Research and development**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 38 (2016 - 37).

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 3 Director's remuneration

	2017 £	2016 £
Remuneration paid to directors	33,970	35,141

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2016 - 1).

### 4 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2016	550,101	193,206	19,936	763,243
Additions	6,537	19,617	-	26,154
At 30 June 2017	556,638	212,823	19,936	789,397
<b>Depreciation and impairment</b>				
At 1 July 2016	483,977	174,650	8,722	667,349
Depreciation charged in the year	14,532	7,635	2,804	24,971
At 30 June 2017	498,509	182,285	11,526	692,320
<b>Carrying amount</b>				
At 30 June 2017	58,129	30,538	8,410	97,077
At 30 June 2016	66,124	18,556	11,214	95,894

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	394,758	519,180
Other debtors	22,118	29,944
	416,876	549,124



# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	218,117	114,410
Corporation tax	57,712	13,197
Other taxation and social security	64,035	28,695
Other creditors	32,786	40,893
	<u>372,650</u>	<u>197,195</u>

### 7 Provisions for liabilities

	2017 £	2016 £
Warranties	55,200	38,220
Deferred tax liabilities	10,471	10,412
	<u>65,671</u>	<u>48,632</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Warranties £
At 1 July 2016	38,220
Additional provisions in the year	16,980
At 30 June 2017	<u>55,200</u>

A provision of £55,200 (2016 - £38,220) has been recognised for expected warranty claims on goods sold, expected to be incurred in the next financial year.

# BARNBROOK SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2017

#### 8 Directors' transactions

Rent of £45,000 (2016 - £45,000) and £6,000 (2016 - £6,000) were charged to the profit and loss account during the period for the occupation of the business premises and were paid to A R Barnett and Barnbrook Systems Retirement & Death Benefits Scheme respectively. The business premises is owned by the director A R Barnett who is also a beneficiary of Barnbrook Systems Retirement & Death Benefits Scheme. The charges were made at market rate.

Below are the transactions made to directors:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Advances	-	933	9,027	(9,960)	-
		<u>933</u>	<u>9,027</u>	<u>(9,960)</u>	<u>-</u>

#### 9 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods	
	2017 £	2016 £
Key management personnel	40,000	35,833

The following amounts were outstanding at the reporting end date:

	2016 Balance £
Amounts owed in previous period	
Key management personnel	7,833

#### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Paul Anthony.  
The auditor was RSM UK Audit LLP.