

Barwell Consulting Limited

Registered number: SC099278

Annual Report

For the year ended 30 September 2019

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BARWELL CONSULTING LIMITED

COMPANY INFORMATION

Directors	The Viscount Gough A C G Mackie P Bishop
Company secretary	A Baxter
Registered number	SC099278
Registered office	97 West Regent Street Glasgow G2 2BA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 100 Queen Street Glasgow G1 3DN
Bankers	Bank of Scotland 54/62 Sauchiehall Street Glasgow G2 3AH
Solicitors	MacRoberts Capella, 60 York Street Glasgow G2 8JX

BARWELL CONSULTING LIMITED

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BARWELL CONSULTING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Principal activity

The principal activity of the Company is the provision of management support services.

Directors

The Directors who served during the year were:

The Viscount Gough
A C G Mackie
P Bishop

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

BARWELL CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

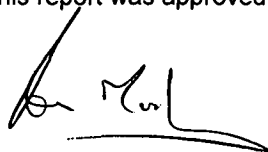
Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A C G Mackie', with a horizontal line underneath.

A C G Mackie
Director

Date: 13/12/19

BARWELL CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWELL CONSULTING LIMITED

Opinion

We have audited the financial statements of Barwell Consulting Limited (the 'Company') for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and 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 FRS 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 Auditor's 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.

The impact of uncertainties due to United Kingdom exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

BARWELL CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWELL CONSULTING LIMITED

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 Company'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 Annual Report, other than the financial statements and our auditor's report 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWELL CONSULTING LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 is 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 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 auditor's report.

Use of the audit 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 an auditor's report 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.



Craig Maxwell (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
100 Queen Street
Glasgow
G1 3DN

Date: 17/12/19

BARWELL CONSULTING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Revenue		167,845	212,144
Administrative expenses		(336,445)	(333,562)
Other operating income	3	9,500	20,000
Operating loss		<u>(159,100)</u>	<u>(101,418)</u>
Tax on loss		-	-
Loss for the year		<u><u>(159,100)</u></u>	<u><u>(101,418)</u></u>

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 8 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	7	4,747	1,711
Current assets			
Debtors: amounts falling due after more than one year	8	4,600	-
Debtors: amounts falling due within one year	8	65,350	51,657
Current asset investments	9	159,883	159,883
Cash and cash equivalents	10	4,722	15,652
		<u>234,555</u>	<u>227,192</u>
Creditors: amounts falling due within one year	11	(1,427,059)	(1,257,560)
Net current liabilities		<u>(1,192,504)</u>	<u>(1,030,368)</u>
Total assets less current liabilities		<u>(1,187,757)</u>	<u>(1,028,657)</u>
Net liabilities		<u>(1,187,757)</u>	<u>(1,028,657)</u>
Capital and reserves			
Called up share capital	12	155,500	155,500
Share premium account	13	5,500	5,500
Profit and loss account	13	(1,348,757)	(1,189,657)
		<u>(1,187,757)</u>	<u>(1,028,657)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on



A C G Mackie
Director

The notes on pages 8 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

The Company is a private Company limited by share capital incorporated in Scotland.

The address of its registered office is:

97 West Regent Street
Glasgow
G2 2BA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Directors have assessed the carrying value of the current asset investments in line with the most recent share information and consider the carrying value to be appropriate.

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 £.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company is able to realise its assets and discharge its liabilities in the normal course of business.

At the date of approval of these financial statements, the Company has net liabilities of £1,187,757 (2018: £1,028,657). The parent Company has confirmed that it will provide financial support to the Company for a period of 12 months from the date of signing these financial statements as required. In addition, the parent Company has confirmed that they will not redeem the preference shares held as debt until such time as the Company is in a position to repay them.

Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue

Revenue relates to the provision of management support services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. 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 payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Tangible fixed assets

Tangible, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	12.5% - 20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)**2.8 Investments**

Investments in unlisted company shares, are measured to fair value at each reporting date. The Directors determine fair value by reference to the companies latest share subscription price and other currently available market information. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

3. Other operating income

	2019 £	2018 £
Grant income	9,500	20,000

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	1,550	1,475
	<u>1,550</u>	<u>1,475</u>
Fees payable to the Company's auditor in respect of:		
Other services	1,000	1,000
Taxation services	1,150	1,100
	<u>2,150</u>	<u>2,100</u>
	<u>2,150</u>	<u>2,100</u>

5. Employees

The average monthly number of employees, including Directors, during the year was 7 (2018: 7).

6. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	110,616	105,960
Directors' pension	9,089	8,280
	<u>119,705</u>	<u>114,240</u>
	<u>119,705</u>	<u>114,240</u>

During the year retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes.

The Directors are considered to be the only key management personnel of the Company.

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Tangible fixed assets

	Plant & machinery £
Cost	
At 1 October 2018	62,396
Additions	4,746
At 30 September 2019	<u>67,142</u>
Depreciation	
At 1 October 2018	60,685
Charge for the year on owned assets	1,710
At 30 September 2019	<u>62,395</u>
Net book value	
At 30 September 2019	<u><u>4,747</u></u>
At 30 September 2018	<u><u>1,711</u></u>

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	4,600	-
	<u>4,600</u>	<u>-</u>
	2019 £	2018 £
Due within one year		
Trade debtors	27,783	22,209
Amounts owed by group undertakings (Note 16)	25,855	24,228
Other debtors	8,650	100
Prepayments and accrued income	3,062	5,120
	<u>65,350</u>	<u>51,657</u>

Other debtors relates to an employee loan. The terms of the loan state that £200 will be repaid each month for 35 months starting in October 2019 and the loan is interest free.

9. Current asset investments

	2019 £	2018 £
Shares in related undertakings - at fair value (Note 16)	159,883	159,883
	<u>159,883</u>	<u>159,883</u>

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	4,722	15,652
	<u>4,722</u>	<u>15,652</u>

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	11,109	6,886
Amounts owed to group undertakings (Note 16)	1,064,364	902,873
Amounts owed to related undertakings (Note 16)	50,000	50,000
Other taxation and social security	7,946	10,897
Other creditors	13,640	6,904
Preference shares treated as debt (Note 12)	280,000	280,000
	<u>1,427,059</u>	<u>1,257,560</u>

12. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
155,500 Ordinary shares of £1.00 each	<u>155,500</u>	<u>155,500</u>
	2019 £	2018 £
Shares classified as debt		
Allotted, called up and fully paid		
280,000 10% non-cumulative redeemable preference shares of £1.00 each	<u>280,000</u>	<u>280,000</u>

The preference shares are non-voting and in accordance with the articles of association the preference shares were due to be redeemed at a premium of 25p per share on or before 30 March 2000 or on the first date thereafter that the Company is able to comply with the provisions of any statutory requirements relating to the redemption. As the date of redemption, which lies in the hands of the holder, has since passed the preference shares continue to be held as current liabilities until they are redeemed.

The preference shares rank ahead of the ordinary shares in relation to settlement in the event of winding up. The dividends are non-cumulative and are only paid on preference shares where the Company is in a lawful position to make distribution.

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Reserves**Share premium account**

Share premium includes consideration received on allotment of share capital above par value.

Profit and loss account

Profit and loss includes all current and prior period retained profits and losses, less any dividends.

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £11,998 (2018 - £10,681). Contributions totalling £nil (2018 - £nil) were payable to the fund at the reporting date.

15. Commitments under operating leases

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	18,331	25,688
Later than 1 year and not later than 5 years	31,210	29,141
	<u>49,541</u>	<u>54,829</u>

BARWELL CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Related party transactions

The Company has taken advantage of the exemption offered in FRS 102 not to disclose transactions entered into by two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the year the Company made sales of £16,940 (2018: £17,021) to GM Innovations Limited, a fellow subsidiary, and sales of £49,800 (2018: £49,800) to Barwell PLC, its parent company.

During the year the Company received loans of £155,500 (2018: £121,700) from Barwell PLC, its parent company.

At the reporting date the Company held investments in Fixed Phage Limited, a Company related by a common Director, of £59,240 (2018: £59,240).

At the reporting date, the following amounts were due (to)/from related parties:

	2019 £	2018 £
Barwell PLC	(1,064,364)	(902,873)
Barwell PLC	20,300	17,450
GM Innovations Limited	5,555	6,778
The Viscount Gough	(50,000)	(50,000)
	<u>(1,088,509)</u>	<u>(928,645)</u>

17. Controlling party and ultimate parent undertaking

In the opinion of the Directors, the ultimate parent company is Barwell PLC, a Company incorporated in Scotland. The registered office address is 97 West Regent Street, Glasgow, G2 2BA. Copies of the parent Company accounts are available from the Registrar of Companies. The ultimate controlling party is The Viscount Gough, a Director of Barwell PLC.