

REGISTERED NUMBER: 01226016 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018
FOR
BARRIER LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

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BARRIER LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2018**

DIRECTORS:	R C F Bowles A E Nightingale
SECRETARY:	R C F Bowles
REGISTERED OFFICE:	Pearl Buildings Stephenson Street Willington Quay Wallsend Tyne and Wear NE28 6UE
REGISTERED NUMBER:	01226016 (England and Wales)
SENIOR STATUTORY AUDITOR:	Michael Moran BA FCA
AUDITORS:	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS:	Lloyds Bank PLC Bedford Street North Shields Tyne and Wear NE29 0AU
SOLICITORS:	Hay & Kilner Merchant House 30 Cloth Market Newcastle Upon Tyne NE1 1EE

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors present their strategic report for the year ended 31 October 2018.

REVIEW OF BUSINESS

Turnover has fallen in the current year, decreasing to £8.3m from £10.6m the previous year, and hence remains at depressed levels. The outlook for 2019 remains difficult.

PRINCIPAL RISKS AND UNCERTAINTIES

The Oil and Gas Fabrications market is in a state of decline in the UK which has been the company's traditional source of turnover.

The company continues to diversify as a result, with ventures into the renewables market as well as complimentary markets in the UK.

This work has yet picked up the slack left by the decline in the UK Oil and Gas Fabrications market, however there is an expectation that this will come to fruition in the coming years.

ON BEHALF OF THE BOARD:

A E Nightingale - Director

27 March 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 October 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2017 to the date of this report.

R C F Bowles
A E Nightingale

EMPLOYEES

The company is an equal opportunities employer. It is the company's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment.

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting their employment is on the basis of aptitude and ability.

It is the company's policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the company) and to comply with any current legislation with regard to disabled persons.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BARRIER LIMITED (REGISTERED NUMBER: 01226016)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2018**

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A E Nightingale - Director

27 March 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BARRIER LIMITED

Opinion

We have audited the financial statements of Barrier Limited (the 'company') for the year ended 31 October 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BARRIER LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Michael Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

27 March 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
TURNOVER	4	8,271,206	10,567,851
Cost of sales		<u>7,913,333</u>	<u>9,477,427</u>
GROSS PROFIT		357,873	1,090,424
Administrative expenses		<u>1,355,813</u> <u>(997,940)</u>	<u>2,087,412</u> <u>(996,988)</u>
Other operating income		<u>34,955</u>	<u>37,158</u>
OPERATING LOSS	6	(962,985)	(959,830)
Interest receivable and similar income		<u>4,203</u> <u>(958,782)</u>	<u>9,461</u> <u>(950,369)</u>
Interest payable and similar expenses	7	<u>30,908</u> <u>(989,690)</u>	<u>2,039</u> <u>(952,408)</u>
LOSS BEFORE TAXATION			
Tax on loss	8	<u>(89,577)</u>	<u>(122,737)</u>
LOSS FOR THE FINANCIAL YEAR		(900,113)	(829,671)
OTHER COMPREHENSIVE INCOME			
Hedging reserve movement		(1,694)	(70,430)
Income tax relating to other comprehensive income		-	11,738
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(1,694)	(58,692)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(901,807)	(888,363)

The notes form part of these financial statements

BALANCE SHEET
31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	9		1,290,286		1,481,579
Investment property	10		<u>273,933</u>		<u>273,933</u>
			1,564,219		1,755,512
CURRENT ASSETS					
Stocks	11	203,287		228,687	
Debtors	12	3,489,656		5,877,897	
Cash at bank and in hand		<u>162,521</u>		<u>102,279</u>	
		3,855,464		6,208,863	
CREDITORS					
Amounts falling due within one year	13	<u>919,954</u>		<u>3,082,446</u>	
NET CURRENT ASSETS			<u>2,935,510</u>		<u>3,126,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,499,729		4,881,929
CREDITORS					
Amounts falling due after more than one year	14		(656,817)		(47,633)
PROVISIONS FOR LIABILITIES	18		-		(89,577)
NET ASSETS			<u>3,842,912</u>		<u>4,744,719</u>
CAPITAL AND RESERVES					
Called up share capital	19		1,000		1,000
Hedging reserve	20		-		1,694
Retained earnings	20		<u>3,841,912</u>		<u>4,742,025</u>
SHAREHOLDERS' FUNDS			<u>3,842,912</u>		<u>4,744,719</u>

The financial statements were approved by the Board of Directors on 27 March 2019 and were signed on its behalf by:

A E Nightingale - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital £	Retained earnings £	Hedging reserve £	Total equity £
Balance at 1 November 2016	1,000	5,571,696	60,386	5,633,082
Changes in equity				
Total comprehensive income	-	(829,671)	(58,692)	(888,363)
Balance at 31 October 2017	<u>1,000</u>	<u>4,742,025</u>	<u>1,694</u>	<u>4,744,719</u>
Changes in equity				
Total comprehensive income	-	(900,113)	(1,694)	(901,807)
Balance at 31 October 2018	<u>1,000</u>	<u>3,841,912</u>	<u>-</u>	<u>3,842,912</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(744,037)	(585,762)
Interest paid		(28,318)	-
Interest element of hire purchase payments paid		(2,590)	(2,039)
Tax paid		8,604	258,004
Net cash from operating activities		<u>(766,341)</u>	<u>(329,797)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,200)	(435,055)
Sale of tangible fixed assets		31,300	74,000
Interest received		4,203	9,461
Net cash from investing activities		<u>34,303</u>	<u>(351,594)</u>
Cash flows from financing activities			
New loans in the year		800,000	-
Capital repayments in year		(60,906)	(47,633)
Amount introduced by directors		54,880	68,461
Amount withdrawn by directors		-	139,412
Movements attributable to hedging		(1,694)	(58,692)
Net cash from financing activities		<u>792,280</u>	<u>101,548</u>
Increase/(decrease) in cash and cash equivalents		<u>60,242</u>	<u>(579,843)</u>
Cash and cash equivalents at beginning of year	2	<u>102,279</u>	<u>682,122</u>
Cash and cash equivalents at end of year	2	<u>162,521</u>	<u>102,279</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2018**

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

	2018	2017
	£	£
Loss before taxation	(989,690)	(952,408)
Depreciation charges	203,941	216,141
(Profit)/loss on disposal of fixed assets	(13,642)	56,000
Finance costs	30,908	2,039
Finance income	(4,203)	(9,461)
	<u>(772,686)</u>	<u>(687,689)</u>
Decrease in stocks	25,400	299
Decrease/(increase) in trade and other debtors	2,324,757	(1,809,547)
(Decrease)/increase in trade and other creditors	<u>(2,321,508)</u>	<u>1,911,175</u>
Cash generated from operations	<u>(744,037)</u>	<u>(585,762)</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 31 October 2018

	31.10.18	1.11.17
	£	£
Cash and cash equivalents	<u>162,521</u>	<u>102,279</u>

Year ended 31 October 2017

	31.10.17	1.11.16
	£	£
Cash and cash equivalents	<u>102,279</u>	<u>682,122</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

1. STATUTORY INFORMATION

Barrier Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are presented in UK Sterling which is the functional currency of the company and rounded to the nearest £1

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

Significant judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The estimated useful lives of tangible fixed assets

The investment properties have been valued at market value based on directors' estimates

Amounts recoverable on contract is based on directors' estimates of percentage completed and overall profitability of contracts.

Going concern

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. The directors have considered a period of twelve months from the date of approval of the financial statements and believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

Turnover

Turnover on long-term contracts is recognised as contract activity progresses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Land not depreciated
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on reducing balance

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018**

3. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks and work in progress, other than long term contracts, are stated at the lower of cost and net realisable value. Cost comprises the purchase price of goods and other directly attributable costs. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research and development expenditure that meets the criteria of being a clearly defined project with separately identifiable expenditure from the company's normal costs, and which has a reasonable certain outcome, is included in other intangible fixed assets. The carrying value of such assets is assessed regularly and provision made as necessary to write this asset down to its recoverable amount.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Amounts recoverable on contract

Amounts recoverable on contracts represent turnover which has not yet been invoiced to customers on long-term contracts. Amounts in respect of contracts included in turnover, net of payments received on account are separately disclosed within debtors. Cash received in excess of the value of work done is shown in creditors as payments on account.

Profits are recognised on long-term contracts where the final outcome can be assessed with reasonable certainty. Full provision is made for all known or anticipated losses on each contract immediately such losses are forecast.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

3. ACCOUNTING POLICIES - continued

Impairment of assets

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in profit and loss.

Short-term debtors and creditors

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised immediately in profit and loss.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Cash and cash equivalent

Cash and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. This definition is also used for the cash flow statement.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018 £	2017 £
Offshore Division	6,893,375	9,640,938
Marine Division	-	91,511
Factory Division	751,600	535,140
Scaffolding	295,500	-
Recharges	330,731	300,262
	<u>8,271,206</u>	<u>10,567,851</u>

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
United Kingdom	8,271,206	10,567,851
	<u>8,271,206</u>	<u>10,567,851</u>

5. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	3,957,127	4,555,667
Social security costs	433,747	499,820
Other pension costs	16,571	17,023
	<u>4,407,445</u>	<u>5,072,510</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

5. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Production staff	89	106
Administration	11	15
	<u>100</u>	<u>121</u>

	2018	2017
	£	£
Directors' remuneration	<u>137,055</u>	<u>129,630</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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6. OPERATING LOSS

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

	2018	2017
	£	£
Hire of plant and machinery	292,960	580,111
Depreciation - owned assets	180,997	200,263
Depreciation - assets on hire purchase contracts	22,944	15,878
(Profit)/loss on disposal of fixed assets	(13,642)	56,000
Auditors' remuneration	12,467	12,027
Auditors' remuneration for non audit work	9,186	3,146
Foreign exchange differences	<u>(30)</u>	<u>(4,159)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Other loan interest	28,318	-
Hire purchase	2,590	2,039
	<u>30,908</u>	<u>2,039</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	-	(14,202)
Adjustment in respect of prior years	-	(75,031)
Total current tax	-	(89,233)
Deferred tax	(89,577)	(33,504)
Tax on loss	<u>(89,577)</u>	<u>(122,737)</u>

Reconciliation of total tax credit included in profit and loss

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

	2018 £	2017 £
Loss before tax	<u>(989,690)</u>	<u>(952,408)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(188,041)	(190,482)
Effects of:		
Utilisation of tax losses	147,887	15,006
Disallowed items for tax purposes	20,005	175,848
Capital allowances in excess of depreciation	17,557	(11,197)
Taxable losses used this year/carried forward to future periods	-	(12,243)
Profit on disposal of assets	2,592	11,200
Difference in 2016 tax provision and tax liability	-	(5,598)
Tax credit adjustment	-	11,868
Research and development tax credit	-	(8,604)
Corporation tax overpaid	-	(75,031)
Deferred tax movement	(89,577)	(33,504)
Total tax credit	<u>(89,577)</u>	<u>(122,737)</u>

Tax effects relating to effects of other comprehensive income

	2018	
	Gross £	Net £
Hedging reserve movement	<u>(1,694)</u>	<u>(1,694)</u>
	2017	
	Gross £	Net £
Hedging reserve movement	<u>(70,430)</u>	<u>(58,692)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 November 2017	377,357	4,970,707	144,243	5,492,307
Additions	-	-	30,306	30,306
Disposals	-	(45,000)	(35,907)	(80,907)
At 31 October 2018	<u>377,357</u>	<u>4,925,707</u>	<u>138,642</u>	<u>5,441,706</u>
DEPRECIATION				
At 1 November 2017	-	3,925,363	85,365	4,010,728
Charge for year	-	182,317	21,624	203,941
Eliminated on disposal	-	(38,250)	(24,999)	(63,249)
At 31 October 2018	-	<u>4,069,430</u>	<u>81,990</u>	<u>4,151,420</u>
NET BOOK VALUE				
At 31 October 2018	<u>377,357</u>	<u>856,277</u>	<u>56,652</u>	<u>1,290,286</u>
At 31 October 2017	<u>377,357</u>	<u>1,045,344</u>	<u>58,878</u>	<u>1,481,579</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2017	158,777	-	158,777
Additions	-	29,106	29,106
At 31 October 2018	<u>158,777</u>	<u>29,106</u>	<u>187,883</u>
DEPRECIATION			
At 1 November 2017	19,847	-	19,847
Charge for year	15,878	7,066	22,944
At 31 October 2018	<u>35,725</u>	<u>7,066</u>	<u>42,791</u>
NET BOOK VALUE			
At 31 October 2018	<u>123,052</u>	<u>22,040</u>	<u>145,092</u>
At 31 October 2017	<u>138,930</u>	<u>-</u>	<u>138,930</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 November 2017 and 31 October 2018	<u>273,933</u>
NET BOOK VALUE	
At 31 October 2018	<u>273,933</u>
At 31 October 2017	<u>273,933</u>

The directors consider that the market value of the investment property at the end of the year is not significantly different to its carrying value.

Fair value at 31 October 2018 is represented by:

	£
Valuation in 2014	128,010
Cost	<u>145,923</u>
	<u>273,933</u>

11. STOCKS

	2018 £	2017 £
Work-in-progress	2,500	27,900
Finished goods	<u>200,787</u>	<u>200,787</u>
	<u>203,287</u>	<u>228,687</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	638,718	2,935,887
Other debtors	-	2,312
Amounts owed by related party	1,675,625	1,463,467
Recoverable on long term contracts	972,207	1,203,900
Directors' current accounts	-	54,880
Corporation tax recoverable	189,725	198,329
Prepayments and accrued income	<u>13,381</u>	<u>19,122</u>
	<u>3,489,656</u>	<u>5,877,897</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other loans (see note 15)	147,702	-
Hire purchase contracts (see note 16)	58,947	47,633
Trade creditors	471,414	2,461,388
Amounts owed to related party	17,784	15,500
Social security and other taxes	109,131	457,892
Other creditors	38,790	69,885
Accruals and deferred income	76,186	30,148
	<u>919,954</u>	<u>3,082,446</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Other loans (see note 15)	652,299	-
Hire purchase contracts (see note 16)	4,518	47,633
	<u>656,817</u>	<u>47,633</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Other loans	<u>147,702</u>	<u>-</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>153,610</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>498,689</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Gross obligations repayable:		
Within one year	61,876	49,672
Between one and five years	4,551	49,672
	<u>66,427</u>	<u>99,344</u>
Finance charges repayable:		
Within one year	2,929	2,039
Between one and five years	33	2,039
	<u>2,962</u>	<u>4,078</u>
Net obligations repayable:		
Within one year	58,947	47,633
Between one and five years	4,518	47,633
	<u>63,465</u>	<u>95,266</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Hire purchase contracts	<u>63,465</u>	<u>95,266</u>

Hire purchase loans are secured against the assets to which they relate.

18. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax		
Accelerated capital allowances	89,577	123,081
Movement in the year	<u>(89,577)</u>	<u>(33,504)</u>
	<u>-</u>	<u>89,577</u>
		Deferred tax
		£
Balance at 1 November 2017		89,577
Movement in year		31,898
Tax losses		<u>(121,475)</u>
Balance at 31 October 2018		<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

20. RESERVES

	Retained earnings £	Hedging reserve £	Totals £
At 1 November 2017	4,742,025	1,694	4,743,719
Deficit for the year	(900,113)	-	(900,113)
Hedging reserve movement	-	(1,694)	(1,694)
At 31 October 2018	<u>3,841,912</u>	<u>-</u>	<u>3,841,912</u>

Reserves:

Called up share capital - represents the nominal value of the shares that have been issued.

Retained earnings - includes all current and prior period retained profits and losses.

Other reserve - Hedging reserves represents movement on options to reduce forex risk.

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 October 2018 and 31 October 2017:

	2018 £	2017 £
R C F Bowles		
Balance outstanding at start of year	47,698	255,570
Amounts advanced	-	446,371
Amounts repaid	(47,698)	(654,243)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>47,698</u>
A E Nightingale		
Balance outstanding at start of year	7,183	7,183
Amounts repaid	(7,183)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>7,183</u>

Interest of £394 (2017: £6,957) has been charged on R Bowles' overdrawn director loan account at a rate of 2.50% (2017: 3.25%).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2018**

22. RELATED PARTY DISCLOSURES

Related party transactions with companies in which the company's directors have an interest were as follows :-

Included within debtors at the year end is £619,579 (2017: £823,366) owed by Barrier Group Limited, a company under common control.

Included within debtors at the year end is £185,223 (2017: £145,052) owed by Barrier EX Limited, a company under common control. Sales to this company totalled £10,500 (2017: £Nil).

Included within creditors at the year end is £17,784 (2017: £15,500) owed to Barrier LED Limited, a company under common control. Sales to this company totalled £1,500 (2017: £Nil).

The company charged a management charge to Barrier Fire Protection Limited, a company with common directors and shareholders amounting to £265,563 (2017: £140,210), which is included within sales. In addition, the company also collected and paid funds on various jointly awarded contracts and therefore, included within debtors and creditors at the year end are amounts of £414,539 (2017: £237,206) owed by Barrier Fire Protection Limited and £Nil (2017: £304,909) owed to Barrier Fire Protection Limited.

The company charged a management charge to Barrier Architectural Services Limited, a company with common directors and shareholders amounting to £65,167 (2017: £160,051), which is included within sales. In addition, the company also collected and paid funds on various jointly awarded contracts and therefore, included within debtors at the year end are amounts of £385,763 (2017: £170,340) owed by Barrier Architectural Services Limited.

Included within debtors at the year end is £70,522 (2017: £93,941) owed by Core Industrial Services Limited, a company under common directors and shareholders.

Included within creditors at the year end is a pension fund loan of £800,000 (2017:0) owed to Robert Charles Freeman Bowles and MW Trustees Limited, a scheme under common directors.

During the year the company paid rent of £40,000 (2017: £40,000) to RCF Bowles and A Nightingale, directors of the company.

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