

Company Registration No. 01305000 (England and Wales)

**BARNES & MULLINS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# BARNES & MULLINS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B M Cleary G J Tichopad S J Finley S Lewis A R Mew
<b>Company number</b>	01305000
<b>Registered office</b>	Unit 14 Mile Oak Industrial Estate Oswestry Shropshire SY10 8GA
<b>Auditor</b>	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB
<b>Business address</b>	Unit 14 Mile Oak Industrial Estate Oswestry Shropshire SY10 8GA

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# **BARNES & MULLINS LIMITED**

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# BARNES & MULLINS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

Under the circumstances brought on by the Covid epidemic the company performed better than its revised forecast. Both Turnover and profitability increased.

All costs were reviewed and curtailed where possible.

The directors consider that the key financial performance indicators are those that monitor the performance in respect of the below matrix.

#### **Analysis of key performance indicators**

Domestic business continued to be challenging due to lockdowns with high street shops closed for much of the year and live music on hold. The directors are expecting that the UK business will return to the high street at a pre Covid level due to the removal of all UK restrictions.

Internet sales continue to be buoyant and the company continues to be well placed in the UK market.

Export sales for manufactured goods continue to be strong, recent investments in this sector is generating more turnover and profit.

Wholesale distribution into Europe has been affected badly by Covid and BREXIT with lack of Government guidance in the early days. However it is expected to return to pre BREXIT levels by the third quarter.

The key financial highlights are as follows:

	2021	2020
	£	£
Turnover	10,255,397	9,398,098
Gross profit	3,120,528	2,728,756
Profit before tax	883,366	644,720

#### **COVID-19**

The COVID-19 outbreak that developed rapidly during 2020 and 2021 with a significant number of infections resulted in the United Kingdom, and indeed countries around the world, having significant lockdown restrictions inflicted on them which obviously affected economic activity around the world.

The company took several measures to protect the health of its employees during this time, the most significant of which was requiring all employees having to adhere to strict social distancing guidelines. The premises remained open during the lockdown period to ensure orders could be fulfilled, but management ensured there was sufficient space available for a reduced workforce to ensure they could maintain a safe distance from others.

In addition, the company utilised government backed support packages and the company's bankers expressed their commitment to providing additional funding if required. The directors did not deem it necessary to increase borrowings.

The impact of the pandemic on the music industry has not been as severe as it has been on other industries, especially in terms of musical instruments. People found that during the lockdown period they had additional down time to take up hobbies and therefore individual sales were maintained throughout. Management were able to ensure sufficient resource dedicated to fulfilling orders and maintaining customer loyalty.

# **BARNES & MULLINS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Principal risks and uncertainties**

The company faces a number of risks and uncertainties (in addition to COVID-19 as discussed above) and the directors believe that the key business risks are in respect of competition mostly from international businesses and the impact of Brexit and in ensuring that the company continues to be the first choice for business in the UK for musical instruments. In view of these risks and uncertainties, the directors are aware that the development of the company may be affected by factors outside their control such as the ongoing negotiations by the UK government with the EU around Brexit (even after the end of the transition period on 31 December 2020).

In view of this, the directors are looking carefully at both existing and potential new markets to mitigate the risk. In addition, the following points sets out how key risks relating to technological advancements, changes in consumer tastes and new competition are being mitigated:

- a. The company actively promotes its own brands and third party brands and undertakes marketing actions to raise brand awareness.
- b. The company also focuses on quality, brand knowledge and detailed knowledge on number of musical instruments that are in demand to ensure customers get quality service.
- c. The company has long lasting relationships with numerous suppliers of well known musical instruments which sell to the company on exclusive basis. The company's sales team have extensive knowledge of their

**Financial instruments** which is seen as an asset.

The company's principal financial instruments comprise invoice discounting, import loan facilities, bank balances, bank overdrafts, trade creditors, trade debtors and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations. The company's approach to managing risks applicable to the financial instruments concerned is shown below.

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities. The company does not enter into any formally designated hedging arrangements.

In respect of invoice discounting and import loan facilities, the liquidity risk is managed by ensuring there are sufficient funds to meet demands.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of short term trade loans these comprise amounts due to financial institutions. The interest rate on the loans from the financial institutions are at a fixed rate and repayable on a 90 day period. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

The company is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as the loans above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**BARNES & MULLINS LIMITED**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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On behalf of the board

B M Cleary

**Director**

27 May 2022

# **BARNES & MULLINS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The company is principally engaged in the wholesale and distribution of musical instruments.

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £240,317. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B M Cleary

S B Perrin

(Resigned 25 October 2021)

G J Tichopad

S J Finley

S Lewis

A R Mew

#### **Future developments**

The directors consider that the restructuring of the company forced on them by Covid and Brexit has laid a firm foundation for continued profit in the years ahead.

Investment in in-house manufacturing for its own brands and for OEM products is expected to continue a significant increase in profits.

#### **Auditor**

The auditor, Arram Berlyn Gardner LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 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;
- 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.

## **BARNES & MULLINS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

B M Cleary  
**Director**

27 May 2022



# **BARNES & MULLINS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BARNES & MULLINS LIMITED**

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#### **Opinion**

We have audited the financial statements of Barnes & Mullins Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **BARNES & MULLINS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BARNES & MULLINS LIMITED**

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#### **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 and the directors' report.

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 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 directors' responsibilities statement set out on page 4, 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 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.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **The extent to which the audit was considered capable of detecting irregularities including fraud.**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the distribution of musical instruments;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and Health and Safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **BARNES & MULLINS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BARNES & MULLINS LIMITED**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in **note 2** were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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 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.

**John Donohoe FCA (Senior Statutory Auditor)**  
**For and on behalf of Arram Berlyn Gardner LLP**

31 May 2022

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB

# BARNES & MULLINS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	10,255,397	9,398,098
Cost of sales		(7,134,869)	(6,669,342)
<b>Gross profit</b>		3,120,528	2,728,756
Administrative expenses		(2,243,717)	(2,211,839)
Other operating income		27,254	158,700
<b>Operating profit</b>	<b>4</b>	904,065	675,617
Interest receivable and similar income	<b>8</b>	243	261
Interest payable and similar expenses	<b>9</b>	(20,942)	(31,158)
<b>Profit before taxation</b>		883,366	644,720
Tax on profit	<b>10</b>	(175,544)	(122,514)
<b>Profit for the financial year</b>		707,822	522,206

The income statement has been prepared on the basis that all operations are continuing operations.

# BARNES & MULLINS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	12		8,039		9,187
Tangible assets	13		75,848		100,976
Investments	14		300		300
			<u>84,187</u>		<u>110,463</u>
<b>Current assets</b>					
Stocks	16	2,689,996		2,985,813	
Debtors	17	1,103,686		1,050,944	
Cash at bank and in hand		1,645,090		1,104,491	
		<u>5,438,772</u>		<u>5,141,248</u>	
<b>Creditors: amounts falling due within one year</b>	18	(983,193)		(1,179,450)	
<b>Net current assets</b>			<u>4,455,579</u>		<u>3,961,798</u>
<b>Net assets</b>			<u>4,539,766</u>		<u>4,072,261</u>
<b>Capital and reserves</b>					
Called up share capital	21		352,916		352,916
Profit and loss reserves	22		4,186,850		3,719,345
<b>Total equity</b>			<u>4,539,766</u>		<u>4,072,261</u>

The financial statements were approved by the board of directors and authorised for issue on 27 May 2022 and are signed on its behalf by:

B M Cleary  
Director

Company Registration No. 01305000

**BARNES & MULLINS LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2020</b>		352,916	3,397,139	3,750,055
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	522,206	522,206
Dividends	11	-	(200,000)	(200,000)
<b>Balance at 31 December 2020</b>		352,916	3,719,345	4,072,261
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	707,822	707,822
Dividends	11	-	(240,317)	(240,317)
<b>Balance at 31 December 2021</b>		352,916	4,186,850	4,539,766

# BARNES & MULLINS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	941,314		1,957,452	
Interest paid		(20,942)		(31,158)	
Income taxes paid		(129,191)		(121,253)	
<b>Net cash inflow from operating activities</b>		791,181		1,805,041	
<b>Investing activities</b>					
Purchase of intangible assets		-		(10,500)	
Purchase of tangible fixed assets		(16,155)		(4,800)	
Proceeds on disposal of tangible fixed assets		8,000		7,399	
Interest received		243		261	
<b>Net cash used in investing activities</b>			(7,912)		(7,640)
<b>Financing activities</b>					
Movement on import loan and factoring liability		6,564		(726,878)	
Payment of finance leases obligations		(8,917)		(32,938)	
Dividends paid		(240,317)		(200,000)	
<b>Net cash used in financing activities</b>			(242,670)		(959,816)
<b>Net increase in cash and cash equivalents</b>		540,599		837,585	
Cash and cash equivalents at beginning of year		1,104,491		266,906	
<b>Cash and cash equivalents at end of year</b>		1,645,090		1,104,491	

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Barnes & Mullins Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 14, Mile Oak Industrial Estate, Oswestry, Shropshire, SY10 8GA.

#### 1.1 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.

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

#### Group accounts

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Barnes & Mullins Limited is a wholly owned subsidiary of Troubadour Investments Limited and the results of Barnes & Mullins Limited are included in the consolidated financial statements of Troubadour Investments Limited which are available from 30 City Road, London, EC1Y 2AB.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods sold in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets other than goodwill

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

Patents	Over the period of the patent license
Brand name	8 years straight line

#### 1.5 Tangible fixed assets

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



# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

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

Leasehold improvements	Over the remaining life of the lease
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% 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.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### 1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 1.8 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.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

Cost is determined on the first-in, first-out (FIFO) method.

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.

#### 1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **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.

#### **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 creditors, bank loans and loans from fellow group companies that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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

#### **1.11 Equity instruments**

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

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **1.15 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.16 Government grants**

Government grant represents the fair value of the income received or receivable from the furlough scheme introduced by the UK government due to the pandemic caused by COVID-19.

Income from the furlough scheme is recognised in the period the furlough income relates to and recorded as 'other income'.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.18 Invoice discounting

The company recognises a trade debtor on sales and a invoice discounting liability due to a third party when it has transferred substantially all of the risks and rewards of the ownership of the trade debtors and has an obligation to pay the received cash flows in full without any material delays. As the company has an obligation to buy back debts over a certain ageing, a debtor and corresponding creditor is recognised.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Stock

The company wholesales and distributes musical instruments and is subject to consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provision required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. See note 16 for the net carrying amount of the stock and associated provision.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods - musical instruments	10,255,397	9,398,098

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	8,615,798	7,922,438
EU	917,314	924,060
Rest of the world	722,285	551,600
	<u>10,255,397</u>	<u>9,398,098</u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	243	261
Grants received	19,054	154,049
	<u>19,054</u>	<u>154,049</u>

All turnover is derived from one activity, being the company's principal activity in sale of musical instruments.

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	21,390	28,649
Government grants	(19,054)	(154,049)
Depreciation of owned tangible fixed assets	30,355	29,460
Depreciation of tangible fixed assets held under finance leases	-	6,735
Loss/(profit) on disposal of tangible fixed assets	2,928	(1,336)
Amortisation of intangible assets	1,148	1,313
Operating lease charges	106,449	84,358
	<u>106,449</u>	<u>84,358</u>

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	41,008	32,525
	<u>41,008</u>	<u>32,525</u>

## BARNES & MULLINS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Sales and distribution	7	6
Administration	12	15
Drivers and yard staff	18	19
Total	37	40

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,305,765	1,248,077
Social security costs	140,316	125,066
Pension costs	87,220	85,950
	1,533,301	1,459,093

#### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	486,927	349,385
Company pension contributions to defined contribution schemes	39,583	35,380
	526,510	384,765

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2020 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	112,833	71,755
Company pension contributions to defined contribution schemes	15,000	4,663

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	243	261
	<u>243</u>	<u>261</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	243	261
	<u>243</u>	<u>261</u>

### 9 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	6,115
Interest on invoice finance arrangements	20,477	23,581
	<u>20,477</u>	<u>29,696</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	465	1,462
	<u>20,942</u>	<u>31,158</u>

### 10 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	175,544	129,191
Adjustments in respect of prior periods	-	(6,677)
	<u>175,544</u>	<u>122,514</u>



# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	883,366	644,720
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	167,840	122,497
Tax effect of expenses that are not deductible in determining taxable profit	6,116	4,956
Permanent capital allowances in excess of depreciation	1,032	1,992
Under/(over) provided in prior years	-	(6,677)
(Profit)/Loss on disposal of tangible fixed assets	556	(254)
Taxation charge for the year	175,544	122,514

### 11 Dividends

	2021 £	2020 £
Interim paid	240,317	200,000

### 12 Intangible fixed assets

	Goodwill £	Patents £	Brand name £	Total £
<b>Cost</b>				
At 1 January 2021 and 31 December 2021	146,500	41,080	10,500	198,080
<b>Amortisation and impairment</b>				
At 1 January 2021	146,500	41,080	1,313	188,893
Amortisation charged for the year	-	-	1,148	1,148
At 31 December 2021	146,500	41,080	2,461	190,041
<b>Carrying amount</b>				
At 31 December 2021	-	-	8,039	8,039
At 31 December 2020	-	-	9,187	9,187

Brand name relates to the acquisition of Thibouville-Lamy and Huber.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	30,431	5,700	383,636	136,947	556,714
Additions	16,155	-	-	-	16,155
Disposals	-	-	-	(34,537)	(34,537)
At 31 December 2021	46,586	5,700	383,636	102,410	538,332
<b>Depreciation and impairment</b>					
At 1 January 2021	15,216	3,896	358,862	77,764	455,738
Depreciation charged in the year	11,647	451	6,193	12,064	30,355
Eliminated in respect of disposals	-	-	-	(23,609)	(23,609)
At 31 December 2021	26,863	4,347	365,055	66,219	462,484
<b>Carrying amount</b>					
At 31 December 2021	19,723	1,353	18,581	36,191	75,848
At 31 December 2020	15,215	1,804	24,774	59,183	100,976

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Motor vehicles	-	20,206

### 14 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	15	300	300

Fixed asset investments comprise equity shares in subsidiary undertakings which are not publicly traded. They are held at cost less accumulated impairment.

The company has not designated any financial assets that are classified as financial assets at fair value through profit or loss.

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Subsidiaries

(Continued)

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Barnes & Mullins (Manufacturing) Limited	1	Dormant	Ordinary	100.00
Terry Gould International Limited	1	Dormant	Ordinary	100.00
The Hidersine Company Limited	1	Dormant	Ordinary	99.00

Registered office addresses (all UK unless otherwise indicated):

1 Grays Inn House Unit 14 Mile, Oak Industrial Estate, Oswestry, Shropshire, SY10 8GA

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Barnes & Mullins (Manufacturing) Limited	(148,318)	-
Terry Gould International Limited	869	-
The Hidersine Company Limited	100	-

Fixed asset investments comprise equity shares in the above entities, none of which are publicly traded.

### 16 Stocks

	2021 £	2020 £
Raw materials and consumables	160,141	109,247
Finished goods and goods for resale	2,529,855	2,876,566
	<u>2,689,996</u>	<u>2,985,813</u>

Stock is stated after provisions for impairment of £284,382 (2020: £284,382).

There is no significant difference between the replacement cost of finished goods and their carrying amounts.

### 17 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	1,020,754	977,712
Amounts owed by group undertakings	200	200
Other debtors	12,955	5,326
Prepayments and accrued income	69,777	67,706
	<u>1,103,686</u>	<u>1,050,944</u>

## BARNES & MULLINS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17 Debtors

(Continued)

Trade debtors disclosed above are measured at amortised cost.

Trade debtors are stated after provisions for impairment of £50,598 (2020: £50,273).

Included within amounts owed by group undertakings are loan balances that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within trade debtors are debts of £727,645 (2020: £634,413) that have been factored.

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

	Notes	2021 £	2020 £
Obligations under finance leases	19	-	8,917
Trade creditors		366,599	342,912
Amounts owed to group undertakings		1,554	201,554
Corporation tax		175,544	129,191
Other taxation and social security		257,011	329,923
Other creditors		1	1
Accruals and deferred income		182,484	166,952
		<u>983,193</u>	<u>1,179,450</u>

Included within amounts due to group undertakings are loan balances that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Bank loans and overdrafts and other bank facilities are secured by way of a fixed and floating charge on the company's assets in favour of HSBC Bank Plc.

Included within trade creditors is an invoice discount facility, of which £2,613 (2020: £nil) is utilised.

There is also a £40,000 guarantee in the favour of HM Customs and Excise.

The aggregate of secured liabilities is £2,613 (2020: £8,917).

#### 19 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	-	8,917

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 to 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Retirement benefit schemes

	2021	2020
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	87,220	85,950

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 21 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of 12.5p each	2,428,064	2,428,064	303,508	303,508
Ordinary B shares of 12.5p each	395,264	395,264	49,408	49,408
	<u>2,823,328</u>	<u>2,823,328</u>	<u>352,916</u>	<u>352,916</u>

There are 2 classes of Ordinary shares; ordinary A shares and ordinary B shares. There are no restrictions on the distribution of dividends and repayment of capital.

### 22 Reserves

#### Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

### 23 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating rental leases, which fall due as follows:

	2021	2020
	£	£
Within one year	105,000	105,000
Between two and five years	420,000	420,000
In over five years	-	105,000
	<u>525,000</u>	<u>630,000</u>

### 24 Related party transactions

#### Transactions with related parties

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

## BARNES & MULLINS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 24 Related party transactions

(Continued)

	Dividend and rental expense	
	2021	2020
	£	£
Entities with control, joint control or significant influence over the company	240,317	200,000
Other related parties	105,000	78,750
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	-	200,000
Entities over which the entity has control, joint control or significant influence	1,554	1,554
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	200	200
	<u>          </u>	<u>          </u>

#### Other information

There is a group settlement arrangement guarantee in favour of the bank between the company an entity which has significant control over the company.

#### 25 Ultimate controlling party

The ultimate parent company is Troubadour Investments Limited, which is incorporated in England and Wales.

Director B M Cleary is the ultimate controlling party of Troubadour Investments Limited.

Troubadour Investments Limited prepares group financial statements and copies can be obtained from 30 City Road, London EC1Y 2AB.

The parent company's registered office is Unit 14 Mile Oak Industrial Estate, Maesbury Road, Oswestry, SY10 8GA.

# BARNES & MULLINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 26 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	707,822	522,206
<b>Adjustments for:</b>		
Taxation charged	175,544	122,514
Finance costs	20,942	31,158
Investment income	(243)	(261)
Loss/(gain) on disposal of tangible fixed assets	2,928	(1,336)
Amortisation and impairment of intangible assets	1,148	1,313
Depreciation and impairment of tangible fixed assets	30,355	36,195
<b>Movements in working capital:</b>		
Decrease in stocks	295,817	744,448
(Increase)/decrease in debtors	(52,742)	511,212
Decrease in creditors	(240,257)	(9,997)
<b>Cash generated from operations</b>	<b>941,314</b>	<b>1,957,452</b>

### 27 Analysis of changes in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	1,104,491	540,599	1,645,090
Borrowings excluding overdrafts	-	(2,613)	(2,613)
Obligations under finance leases	(8,917)	8,917	-
	<b>1,095,574</b>	<b>546,903</b>	<b>1,642,477</b>

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