

Company registration number 09219039 (England and Wales)

BARREL INDUSTRIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

BARREL INDUSTRIES LIMITED

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BARREL INDUSTRIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	3	43,964	48,381
Tangible assets	4	1,252,493	1,380,626
Investments	5	-	2
		<u>1,296,457</u>	<u>1,429,009</u>
Current assets			
Stocks		160,621	700,042
Debtors	6	332,478	471,484
Cash at bank and in hand		146,235	272,093
		<u>639,334</u>	<u>1,443,619</u>
Creditors: amounts falling due within one year	7	<u>(621,236)</u>	<u>(1,146,578)</u>
Net current assets		<u>18,098</u>	<u>297,041</u>
Total assets less current liabilities		<u>1,314,555</u>	<u>1,726,050</u>
Creditors: amounts falling due after more than one year	8	(1,046,419)	(1,666,163)
Provisions for liabilities		-	(2,843)
Net assets		<u>268,136</u>	<u>57,044</u>
Capital and reserves			
Called up share capital	10	826,163	826,163
Share premium account		236,837	236,837
Profit and loss reserves		<u>(794,864)</u>	<u>(1,005,956)</u>
Total equity		<u>268,136</u>	<u>57,044</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

BARREL INDUSTRIES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 16 November 2023 and are signed on its behalf by:

W Fakhry
Director

Company Registration No. 09219039

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Barrel Industries Limited is a private company limited by shares incorporated in England and Wales. The registered office is 44 Russell Square, London, United Kingdom, WC1B 4JP.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this was the parent until 19 July 2022 qualified as a small group. The financial statements present information about the company as an individual entity and not about the group.

1.2 Going concern

As at 31 December 2022, the company had net assets of £268,136 (2021 - £57,044) and incurred operating losses in the year of £367,524 (2021 - £469,941). 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. In arriving at this assessment the directors have reviewed the performance after the reporting date. The Board believes that the company is a going concern based upon the current performance together with the restructure post year end to help ensure future operating profits. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for food and beverage net of VAT and trade discounts.

Revenue for goods and services sold on site are recognised on a point of sales basis.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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 & licences

Amortised evenly over their estimated useful life of fifteen years

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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:

Short leasehold	- Straight line over 15 years
Improvements to property	- Straight line over 15 years
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

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.

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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

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

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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.

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, loans from fellow group companies and preference shares 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.

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

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.

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	2022 Number	2021 Number
Total	22	20

3 Intangible fixed assets

	Patents & licences £
Cost	
At 1 January 2022 and 31 December 2022	66,259
Amortisation and impairment	
At 1 January 2022	17,878
Amortisation charged for the year	4,417
At 31 December 2022	22,295
Carrying amount	
At 31 December 2022	43,964
At 31 December 2021	48,381

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Short leasehold improvements to property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	1,657,453	119,560	36,958	1,876,650
Additions	-	-	3,809	9,350
	<u>1,657,453</u>	<u>119,560</u>	<u>40,767</u>	<u>1,886,000</u>
At 31 December 2022	1,657,453	119,560	40,767	1,886,000
Depreciation and impairment				
At 1 January 2022	389,376	55,933	23,354	496,024
Depreciation charged in the year	110,497	7,161	6,252	137,483
	<u>499,873</u>	<u>63,094</u>	<u>29,606</u>	<u>633,507</u>
At 31 December 2022	499,873	63,094	29,606	633,507
Carrying amount				
At 31 December 2022	<u>1,157,580</u>	<u>56,466</u>	<u>11,161</u>	<u>1,252,493</u>
At 31 December 2021	<u>1,268,077</u>	<u>63,627</u>	<u>13,604</u>	<u>1,380,626</u>

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings	-	2

The company held an investments in a subsidiary where the registered office address is; 12 New Fetter Lane, London, United Kingdom, EC4A 1JP. On 19 July 2022 the company disposed of its holding in the subsidiary.

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022	2
Disposals	(2)
At 31 December 2022	-
Carrying amount	
At 31 December 2022	-
At 31 December 2021	2

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	95,629	2,469
Corporation tax recoverable	2,397	2,397
Other debtors	82,190	314,356
	180,216	319,222
Amounts falling due after more than one year:		
Other debtors	152,262	152,262
Total debtors	332,478	471,484

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	-	53,200
Trade creditors	303,678	653,347
Corporation tax	-	550
Other taxation and social security	156,599	255,323
Other creditors	160,959	184,158
	<u>621,236</u>	<u>1,146,578</u>

8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	1,013,919	1,628,663
Other creditors	32,500	37,500
	<u>1,046,419</u>	<u>1,666,163</u>

9 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,013,919	1,681,863
	<u>1,013,919</u>	<u>1,681,863</u>
Payable within one year	-	53,200
Payable after one year	1,013,919	1,628,663
	<u>1,013,919</u>	<u>1,628,663</u>

Bank loans are secured by way of fixed and floating charges in favour of TC Loans I Limited over the assets of the company.

10 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	826,163	826,163	826,163	826,163
	<u>826,163</u>	<u>826,163</u>	<u>826,163</u>	<u>826,163</u>

BARREL INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Operating lease commitments

Lessee

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

2022	2021
£	£
1,909,767	2,108,585
<u>1,909,767</u>	<u>2,108,585</u>

12 Events after the reporting date

On 21 March 2023 the company created a new class of B Ordinary Shares and allotted 150,000 ordinary £1 shares at par. The company also issued £1.5 million 10% fixed rate unsecured convertible loan notes.

On the same date the company sold its intellectual property rights to a related entity for consideration of £100,000.

13 Related party transactions

The Profit and Loss Account includes Director's Expenses that are not recoverable of £15,998 (2021: £7,163) incurred by a director who resigned in the year.

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.