

Company Registration No. 10469368 (England and Wales)

JOHN SCOTT WORKS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
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JOHN SCOTT WORKS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Balance sheet	3
Notes to the financial statements	4 - 8

JOHN SCOTT WORKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Directors

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

J C Schot

M Schot

(Appointed 15 January 2019)

Buisness performance

The second operational year of John Scott Works Ltd can be characterised as a year of continued and intensified growth and investment, supported by the parent company Profielnorm Beheer BV (PRN Group) and in line with the group's international strategy.

2018 marked the introduction of a new welding robot, which contributed considerably to the efficiency and the production capacity needed to cope with the anticipated growth in demand. In addition, staff resources have more than doubled in the year in order to reinforce the company's project engineering, installation and sales divisions.

This investment has supported the growth of the sales network and realised projects resulting in a 400% increase in turnover. Our innovative products and approach are being increasingly recognised in the market, resulting in a substantial increase in the breadth of the customer base in terms of sectors and customer groups and providing the desired project mix, whilst at the same time an increase in the volume and size of awarded projects.

The company suffered an operational loss for the year but the financial results have significantly improved compared to 2017, with a forecast for further improvement in the year end 2019. This, together with an enhanced capability and capacity establishes a firm platform to take on further growth in 2019.

We are also delighted to report that the company achieved EN 1090 and ISO EN 3834 certification as a separate production entity within the PRN Group.

Business outlook

As PRN Group continues its roll-out investments, it is our expectation that John Scott Works Limited will break-even in the year end 2019.

The largest planned development is the arrival of a new roll forming line in the third quarter of 2019. Our mechanical engineers are collaborating with the machine suppliers to achieve an optimal fit with the UK market requirements. To accommodate the new roll forming line and facilitate the future expansion plans, we will invest in larger operating premises, which the directors are now actively searching for.

The developments so far have strengthened the group management mission to grow John Scott Works Limited into a leading, independent and durable mezzanine flooring factory for the UK. This fits well with the overarching PRN Group strategy of providing premium mezzanine flooring products and services across Europe, manufacturing close to its key markets. PRN Group is in the business of building trust, which refers to both the daily craftsmanship of engineering, fabricating and installing mezzanine floors, and to be the reliable partner that our various stakeholders need us to be.

Auditor

The auditor, Baldwins Audit Services, (formerly Cassons Audit Services) is deemed to be reappointed under section 487(2) of the Companies Act 2006.

JOHN SCOTT WORKS LIMITED

DIRECTORS' REPORT (CONTINUED)

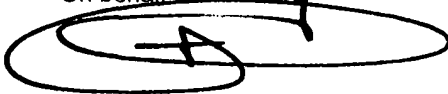
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

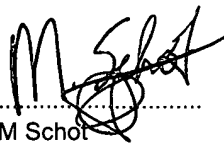
On behalf of the board



J C Schot

Director

Date: 11.6.2019



M Schot

Director

Date: 11.6.2019

JOHN SCOTT WORKS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		141,619		114,150
Current assets					
Stocks		132,321		55,072	
Debtors	4	438,292		223,052	
Cash at bank and in hand		53,295		21,590	
		<u>623,908</u>		<u>299,714</u>	
Creditors: amounts falling due within one year	5	<u>(699,101)</u>		<u>(716,863)</u>	
Net current liabilities			(75,193)		(417,149)
Total assets less current liabilities			66,426		(302,999)
Creditors: amounts falling due after more than one year	6		(533,240)		(7,521)
Net liabilities			<u>(466,814)</u>		<u>(310,520)</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			(466,815)		(310,521)
Total equity			<u>(466,814)</u>		<u>(310,520)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 11/06/19 and are signed on its behalf by:


J C Schot
Director


M Schot
Director

Company Registration No. 10469368

JOHN SCOTT WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

John Scott Works Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 3-4 Railway Street, Tipton, West Midlands, DY4 7AD.

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.

1.2 Going concern

The directors consider it appropriate to prepare these financial statements on a going concern basis on the grounds that all group companies have confirmed that they will not demand repayment of loan balances within 12 months of the date of approval of these financial statements and will continue to provide support to the company during this period as required.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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 completion of the order), 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 Tangible fixed assets

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

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

Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

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.

1.5 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.

JOHN SCOTT WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.6 Stocks

Stocks and work in progress 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. Cost is calculated using the average cost of materials purchased.

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.

1.7 Cash at bank and in hand

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

1.8 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 measured at transaction price including transaction costs.

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.

JOHN SCOTT WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies are recognised at transaction price.

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 at transaction price.

1.9 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.

1.10 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.

1.11 Retirement benefits

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

1.12 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.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.13 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2017 - 5).

JOHN SCOTT WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2018	89,563	10,057	28,939	128,559
Additions	10,250	5,328	41,380	56,958
At 31 December 2018	99,813	15,385	70,319	185,517
Depreciation and impairment				
At 1 January 2018	8,972	1,073	4,364	14,409
Depreciation charged in the year	19,279	2,764	7,446	29,489
At 31 December 2018	28,251	3,837	11,810	43,898
Carrying amount				
At 31 December 2018	71,562	11,548	58,509	141,619
At 31 December 2017	80,591	8,984	24,575	114,150

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	386,837	177,698
Other debtors	51,455	45,354
	438,292	223,052

5 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases		4,750	4,750
Trade creditors		103,804	77,928
Amounts owed to group undertakings		339,671	528,737
Other taxation and social security		43,214	30,360
Other creditors		199,572	66,088
Accruals and deferred income		8,090	9,000
		699,101	716,863

Obligations under finance leases and hire purchase contracts are secured upon the asset to which they relate.

JOHN SCOTT WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases		2,771	7,521
Other borrowings		530,469	-
		<u>533,240</u>	<u>7,521</u>

Obligations under finance leases and hire purchase contracts are secured upon the asset to which they relate.

7 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Mr Les Nutter.
The auditor was Baldwins Audit Services.

8 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:

	2018 £	2017 £
	<u>191,551</u>	<u>235,551</u>

9 Parent company

The company's immediate parent is Profielnorm Beheer BV and its registered office is Slabbecoorweg 29, 4691 RZ Tholen, The Netherlands.