

**Company Registration No. 01892238 (England and Wales)**

**SCULLY U.K. LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# **SCULLY U.K. LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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. She is 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.

**SCULLY U.K. LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	3		7,523		7,431
Investments	4		2		2
			<u>7,525</u>		<u>7,433</u>
<b>Current assets</b>					
Stocks		132,013		174,614	
Debtors	5	271,702		192,372	
Cash at bank and in hand		<u>567,927</u>		<u>635,196</u>	
		971,642		1,002,182	
<b>Creditors: amounts falling due within one year</b>	6	<u>(256,531)</u>		<u>(305,835)</u>	
<b>Net current assets</b>			<u>715,111</u>		<u>696,347</u>
<b>Total assets less current liabilities</b>			<u>722,636</u>		<u>703,780</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(105,710)		(105,710)
<b>Net assets</b>			<u><u>616,926</u></u>		<u><u>598,070</u></u>
<b>Capital and reserves</b>					
Called up share capital	9		127		127
Share premium account			363,499		363,499
Profit and loss reserves			<u>253,300</u>		<u>234,444</u>
<b>Total equity</b>			<u><u>616,926</u></u>		<u><u>598,070</u></u>

The director of the company has elected not to include a copy of the income statement 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 and signed by the director and authorised for issue on 30.6.2020

  
R Scully  
Director

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies

##### Company information

Scully U.K. Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Meridian House, Unit 11, Road 1, Winsford Industrial Estate, Winsford, Cheshire, CW7 3OG.

##### 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.

##### Going concern

The accounts have been prepared on a going concern basis, having carried out a detailed review of the company's position and its forecasts at the date of signing the accounts with regard to the challenges presented by the current economic and health climate. Notwithstanding these uncertainties, the stress testing of the company financial position and pledge by the parent undertaking, to provide financial support as the company requires to meet its liabilities as they fall due for a period of not less than 12 months from the date of these accounts being signed, has satisfied the Director that it has adequate resources and sufficient cash flows to enable it to continue in operational existence for the foreseeable future.

##### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary course of business. Turnover is recognised at the point of exchange of goods and services. Turnover is shown net of Value Added Tax.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and machinery	10% reducing balance
Office equipment	20% reducing balance
Computer equipment	20% 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 the statement of income.

##### Fixed asset investments

Interest in subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies (Continued)

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its fixed 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). An impairment loss is recognised immediately in the statement of income.

#### **Stocks**

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, the company assesses whether stocks are impaired. Any excess of the carrying amount of stock over its estimated selling price less costs to sell is recognised as an impairment loss in the statement of income. Reversals of impairment losses are also recognised in the statement of income.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### **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 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 trade debtors, other debtors and amounts due from group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

#### **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 trade, other creditors and amounts due to group undertakings, are initially recognised at transaction price.

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the statement of income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

##### **Retirement benefits**

The cost of providing defined contribution pensions for employees are charged to the income statement as incurred.

##### **Leases**

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

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2018 - 4).

#### 3 Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2018	4,965	114,921	53,596	24,777	198,259
Additions	-	624	677	-	1,301
At 30 June 2019	4,965	115,545	54,273	24,777	199,560
<b>Depreciation and impairment</b>					
At 1 July 2018	2,073	113,361	50,843	24,551	190,828
Depreciation charged in the year	289	312	551	57	1,209
At 30 June 2019	2,362	113,673	51,394	24,608	192,037
<b>Carrying amount</b>					
At 30 June 2019	2,603	1,872	2,879	169	7,523
At 30 June 2018	2,892	1,560	2,753	226	7,431

#### 4 Fixed asset investments

	2019 £	2018 £
Investments	2	2

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2018 & 30 June 2019	2
<b>Carrying amount</b>	
At 30 June 2019	2
At 30 June 2018	2

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	175,921	177,326
Amounts owed by group undertakings	81,021	-
Other debtors	14,324	14,302
	<u>271,266</u>	<u>191,628</u>
	2019 £	2018 £
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	436	744
	<u>436</u>	<u>744</u>
<b>Total debtors</b>	<u>271,702</u>	<u>192,372</u>

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

	2019 £	2018 £
Trade creditors	6,694	10,036
Amounts owed to group undertakings	210,254	251,163
Corporation tax	4,446	11,972
Other taxation and social security	22,392	24,859
Other creditors	12,745	7,805
	<u>256,531</u>	<u>305,835</u>

### 7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	105,710	105,710
	<u>105,710</u>	<u>105,710</u>

Creditors falling due after more than one year relate to a loan from the company's ultimate parent company, Scully Signal Co. The loan has no fixed date of repayment. Scully Signal Co has agreed that no amount will be payable before 30 June 2020 and have agreed to provide financial support for the company for the foreseeable future.



# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 8 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Balances:</b>		
Accelerated capital allowances	436	744
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2019 £</b>
Liability/(Asset) at 1 July 2018		(744)
Charge to profit or loss		308
		<u>          </u>
Liability/(Asset) at 30 June 2019		(436)
		<u>          </u>

### 9 Called up share capital

	<b>2019 £</b>	<b>2018 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
127 Ordinary shares of £1 each	127	127
	<u>          </u>	<u>          </u>
	127	127
	<u>          </u>	<u>          </u>

### 10 Operating lease commitments

#### Lessee

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

	<b>2019 £</b>	<b>2018 £</b>
Within one year	5,831	8,746
Between one and five years	-	5,831
	<u>          </u>	<u>          </u>
	5,831	14,577
	<u>          </u>	<u>          </u>

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 11 Events after the reporting date

The COVID-19 outbreak that has occurred since the financial year end is likely to have a significant effect on the financial position of the company during 2020. The Director anticipates a potential impact to its income, as some customers will inevitably be affected by the economic uncertainty resulting from the outbreak.

Notwithstanding these uncertainties, the stress testing of company financial position and support pledged by the parent undertaking has satisfied the Director that it has adequate reserves and mitigation strategies to deal with the impact of the outbreak as it unfolds.

#### 12 Related party transactions

During the year, the company purchased £40,958 (2018: £41,468) of goods and engineering services from Scully Systems NV, a fellow subsidiary of Scully Signal Co. group. During the year, the company sold £53,071 (2018: £49,995) of goods to Scully Systems NV. At the year end £1,173,157 (2018: £1,133,384) was owed to Scully Systems NV and £1,254,177 (2018: £1,201,106) was due from Scully Systems NV.

During the year, the company purchased £462,800 (2018: £543,838) of goods and engineering services from Scully Signal Co, the company's parent company. During the year, the company sold £13,338 (2018: £6,694) of goods to Scully Signal Co. At the year end £568,057 (2018: £663,355) was owed to Scully Signal Co. and £357,808 (2018: £344,470) was owed from Scully Signal Co.

At the year end £105,710 (2018: £105,710) was owed to Scully Signal Co, in respect of a loan due for repayment in more than one year.

#### 13 Parent company

The company's parent company is Scully Signal Co., a company incorporated in the United States of America. Scully U.K. Limited accounts are consolidated in the accounts of Scully Signal Co. The registered office is 70 Industrial Way, Wilmington, MA 01887-4607, United States of America.

#### 14 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 Gareth Jones.

The auditor was RSM UK Audit LLP.