

J.D. NEUHAUS LIMITED

**FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017**

J.D. NEUHAUS LIMITED

COMPANY INFORMATION

Directors	A E Hedley (resigned 31 March 2017) M Schultheis (appointed 27 February 2017, resigned 30 September 2017) S J Walker (appointed 1 April 2017)
Registered number	03642088
Registered office	Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Trading Address	Units 9 & 10, Kirkton Avenue Pitmedden Road Industrial Estate Dyce Aberdeen AB21 0BF
Independent auditors	Anderson Anderson & Brown LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU
Solicitors	Stronachs LLP 28 Albyn Place Aberdeen AB10 1YL

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

J.D. NEUHAUS LIMITED**REGISTERED NUMBER:03642088****BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	5		75,756		1,644,991
			<u>75,756</u>		<u>1,644,991</u>
Current assets					
Stocks		231,054		409,582	
Debtors: amounts falling due within one year	6	488,623		304,307	
Cash at bank and in hand	7	321,132		157	
		<u>1,040,809</u>		<u>714,046</u>	
Creditors: amounts falling due within one year	8	(380,528)		(795,389)	
Net current assets/(liabilities)			<u>660,281</u>		<u>(81,343)</u>
Total assets less current liabilities			<u>736,037</u>		<u>1,563,648</u>
Creditors: amounts falling due after more than one year	9		-		(13,885)
Provisions for liabilities					
Deferred tax		(10,469)		(41,560)	
			<u>(10,469)</u>		<u>(41,560)</u>
Net assets			<u><u>725,568</u></u>		<u><u>1,508,203</u></u>
Capital and reserves					
Called up share capital	12		55,000		55,000
Profit and loss account			<u>670,568</u>		<u>1,453,203</u>
			<u><u>725,568</u></u>		<u><u>1,508,203</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

J.D. NEUHAUS LIMITED

REGISTERED NUMBER:03642088

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S J Walker
Director

Date: 18 June 2018

The notes on pages 4 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

J D Neuhaus Limited is a limited liability company incorporated in Scotland. The registered office is Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG. The principal activity of the company is that of sale and rental of machinery and equipment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The director, having made due and careful enquiry and preparing forecasts, is of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The director, therefore, has made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.6 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The company contributes to 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 in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	-	20-33% straight line
Plant & machinery	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings and Office equipment	-	20% straight line
Assets on hire	-	12.5% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Profit on long term contracts is recognised in line with the estimated level of completion of the contract at the year end with due consideration being given to the timeframe in which the contract is anticipated to be completed and the time spent by staff in the management of the contract.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2016 - 14).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Exceptional items

	2017 £	2016 £
Gain on disposal of rental business	220,488	-
	<u>220,488</u>	<u>-</u>

During the year, the company disposed of the rental business, this resulted in a gain of £220,488 in the accounts for the year ended 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Tangible fixed assets

	Leasehold property imp'ments £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Rental assets £	Total £
Cost or valuation						
At 1 January 2017	127,215	212,513	88,870	147,437	2,533,214	3,109,249
Additions	-	14,569	-	1,828	25,819	42,216
Disposals	(104,699)	(131,835)	(76,970)	(126,620)	(2,559,033)	(2,999,157)
At 31 December 2017	<u>22,516</u>	<u>95,247</u>	<u>11,900</u>	<u>22,645</u>	<u>-</u>	<u>152,308</u>
Depreciation						
At 1 January 2017	70,312	87,627	42,581	119,054	1,144,684	1,464,258
Charge for the year on owned assets	22,374	16,892	54	12,769	190,162	242,251
Charge for the year on financed assets	-	-	9,557	-	10,826	20,383
Disposals	(82,295)	(62,787)	(40,292)	(119,294)	(1,345,672)	(1,650,340)
At 31 December 2017	<u>10,391</u>	<u>41,732</u>	<u>11,900</u>	<u>12,529</u>	<u>-</u>	<u>76,552</u>
Net book value						
At 31 December 2017	<u>12,125</u>	<u>53,515</u>	<u>-</u>	<u>10,116</u>	<u>-</u>	<u>75,756</u>
At 31 December 2016	<u>56,903</u>	<u>124,886</u>	<u>46,289</u>	<u>28,383</u>	<u>1,388,530</u>	<u>1,644,991</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Motor vehicles	-	46,226
Rental assets	-	98,789
	<u>-</u>	<u>145,015</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Debtors

	2017 £	2016 £
Trade debtors	449,252	253,754
Other debtors	-	32,740
Prepayments and accrued income	39,371	17,813
	<u>488,623</u>	<u>304,307</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	321,132	157
Less: bank overdrafts	-	(269,314)
	<u>321,132</u>	<u>(269,157)</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	269,314
Trade creditors	88,587	108,674
Amounts owed to group undertakings	150,598	250,797
Corporation tax	7,711	-
Other taxation and social security	83,186	59,521
Obligations under finance lease and hire purchase contracts	-	45,658
Accruals and deferred income	50,446	61,425
	<u>380,528</u>	<u>795,389</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	-	13,885
	<u>-</u>	<u>13,885</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	-	45,658
Between 1-2 years	-	11,601
Between 2-5 years	-	2,284
	<u>-</u>	<u>59,543</u>

11. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	321,132	157
	<u>321,132</u>	<u>157</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

12. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
55,000 Ordinary shares of £1 each	<u>55,000</u>	<u>55,000</u>

13. Pension commitments

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions paid in the year amounted to £5,750 (2016: £3,973).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	3,978	23,717
Later than 1 year and not later than 5 years	3,290	-
	<u>7,268</u>	<u>23,717</u>

15. Related party transactions

The company has taken advantage of the exemption given by section 1AC.35 of Financial Reporting Standard 102 which allows exemption from disclosure of related party transactions within the group on the basis that the company is a 100% subsidiary.

16. Controlling party

The company considered by the directors to be the ultimate parent undertaking and controlling party is J.D. Neuhaus GmbH & Co KG, which is incorporated in Germany.

The financial statements of J.D. Neuhaus GmbH & Co KG are available from J.D. Neuhaus Verwaltungs GmbH, Sitz Witten, Eingetragen: AG Bochum HRB 8715, Geschäftsführer, Germany.

The ultimate controlling party is Wilfried Neuhaus Gallade.

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 18 June 2018 by John Black (Senior statutory auditor) on behalf of Anderson Anderson & Brown LLP.