

Scion Group Limited

Unaudited financial statements

For the year ended 31 December 2018

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Company No. 3905442

Company information

Company registration number	3905442
Registered office	1390 Montpellier Court Gloucester Business Park Brockworth Gloucester GL3 4AH
Director	A C M Smith B R Westran
Secretary	A C M Smith B R Westran
Bankers	Barclays Bank PLC Corporate Banking 4 th Floor Bridgewater House Counterslip Finzels Reach Bristol BS1 6BX
Solicitors	BPE St James' House St James' Square Cheltenham Gloucestershire GL50 3PR

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Strategic Report

Results and dividends

The Company did not trade during the year or the prior year and subsequently made neither a profit nor a loss. The Directors have not recommended a dividend for 2018 or 2017.

The Company is a holding company. The principal activity of the Company's subsidiaries continued to be that of facilities, electrical, mechanical and building maintenance services.

The business performed well in a period of challenging trading conditions.

We continue to place great emphasis on winning good quality contracts that can provide clear and sustainable margins and we see excellent prospects in the mechanical and electrical sector, particularly helped by our links to Mears Group.

Financial risk management objectives and policies

Risk is an accepted part of doing business. The Company's financial risk management is based upon sound economic objectives and good corporate practice. The Directors have overall responsibility for risk management and internal control within the context of achieving the Company's objectives. The key risks and mitigating factors are set out below.

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Company and to invest cash assets safely and profitably. Short term flexibility is achieved through the use of the Group bank overdraft facilities.

The Company does not undertake any trading activity in financial instruments. All activities are transacted in Sterling. The Company does not engage in any hedging activities.

The Company reviews the credit quality of customers and limits credit exposures accordingly. All trade debts are subject to credit risk exposure. However there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers.

This report was approved by the Board on 16 September 2019 and signed on its behalf.



B R Westran
Director

Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the Company during the year was to act as a holding Company. The principal activity of the Company's subsidiaries continued to be that of facilities, electrical, mechanical and building maintenance services.

Directors

The Directors who served the Company during the year was as follows:

A C M Smith
B R Westran

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 laws). 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern consideration

Mears Group PLC, the parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries.

After making enquiries, the directors believe that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, and they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

This report was approved by the Board on 16 September 2019 and signed on its behalf.



B R Westran
Director

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards. The principal accounting policies have remained unchanged from the previous year and are set out below.

Consolidation

The Company was, at the end of the year, a wholly-owned subsidiary of another company whose accounts are publicly available and in accordance with Section 400 of the Companies Act 2006. The Company is not required to produce, and has not published, consolidated accounts. Consequentially, these accounts present information about the individual undertaking.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Balance sheet

	Note	2018 £	2017 £
Fixed assets			
Investments	3	750,003	750,003
Creditors due more than one year	4	(1,222,308)	(1,222,308)
		<u>(472,305)</u>	<u>(472,305)</u>
Capital and reserves			
Called-up equity share capital	6	550	550
Share premium account		3,025	3,025
Capital redemption reserve		496,875	496,875
Profit and loss account		<u>(972,755)</u>	<u>(972,755)</u>
Shareholder's deficit		<u>(472,305)</u>	<u>(472,305)</u>

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the year ended 31 December 2018.

The member has not required the Company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved and authorised for issue by the Directors and are signed on their behalf on 16 September 2019.



B R Westran
Director

Notes to the financial statements

1 Profit and loss account

The company did not trade during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

2 Operating profit

Fees for audit and taxation compliance are borne by the parent company.

3 Investments

Group companies

	£
Cost	
At 1 January and 31 December 2018	750,003
Amounts written off	
At 1 January and 31 December 2018	-
Net book value	
At 1 January and 31 December 2018	750,003

At 31 December 2018, the Company held 100% of the ordinary equity share capital of the following companies, all of which are subsidiary undertakings, and all of which are incorporated in the United Kingdom:

Nature of business

Scion Technical Services Limited	Mechanical and electrical services
Mears Estates Limited	Grounds maintenance and estate management
Scion Direct Services Limited	Dormant
Scion Property Services Limited	Dormant

4 Creditors due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	1,222,308	1,222,308

5 Share capital

Authorised, allotted called up and fully paid equity share capital:

	2018 £	2017 £
242 Ordinary A shares of £1 each	242	242
158 Ordinary B shares of £1 each	158	158
100 Ordinary C shares of £1 each	100	100
50 Ordinary D shares of £1 each	50	50
	550	550

The holders of the A ordinary shares are entitled to receive 57% of any distribution or return on capital, the B ordinary shareholders 35.5%, the C ordinary shareholders 5% and the D ordinary shareholders 2.5%.

The holders of the B, C and D ordinary shares are not entitled to attend or vote at any general meetings of the Company

Notes to the financial statements - continued

6 Ultimate parent company

The Directors consider that the ultimate parent undertaking and controlling related party of this Company is its parent undertaking Mears Group PLC by virtue of its 100% shareholding.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Mears Group PLC. The accounts are available from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH.