

Barnes Group (Scotland) Limited

**Annual report and financial statements
for the year ended 31 May 2014**



Barnes Group (Scotland) Limited

Financial Statements

Year ended 31 May 2014

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Barnes Group (Scotland) Limited

Officers and Professional Advisers

The Board of Directors

Benjamin Buckley (Resigned 17 May 2013).
Claudia Toussaint (Resigned 16 March 2012, reappointed
17 May 2013, resigned 22 November 2013).
Richard Barnhart
Douglas McNeilly (Appointed 12 November 2014)

Registered Office

Barnes Group (Scotland) Limited
1 Exchange Crescent
Conference Square
Edinburgh
Lothian
EH3 8UL

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS 1 5QD

Bankers

HSBC Bank plc
Wales and West Corporate Banking Centre
3 Rivergate
Temple Quay
Bristol
BS 1 6ER

Barnes Group (Scotland) Limited

The Directors' Report

Year ended 31 May 2014

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 May 2014. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company registered number is SC063330.

Principal activities and business review

The Company ceased trading on 8 August 2005 when it sold its trade and assets to Barnes Group (U.K.) Limited. Since that point interest is accruing on the unpaid consideration for this sale.

The profit for the financial year ended 31 May 2014 amounted to £ 122,869 (2013: £122,869).

Going concern

The ultimate parent undertaking, has reviewed its strategic options and, given the non-trading nature of the company, has decided to liquidate the company in the near future after the balance sheet date. Therefore the directors have concluded that it is inappropriate to prepare the financial statements on a going concern basis, and have therefore prepared the financial statements on a basis other than going concern.

Results and dividends

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

No dividend was paid in the year (2013:£nil). An amount of £122,869 (2013: £122,869) has been transferred to reserves.

Directors

The directors who held office during the year and up to the date of signing this report are as follows:

Richard Barnhart
Douglas McNeilly

No director received any remuneration from Company in the year (2013: £nil) for services as a director.

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Barnes Group (Scotland) Limited

The Directors' Report

Year ended 31 May 2014

Statement of directors' responsibilities (continued)

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; and
- 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 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.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, it is confirmed that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with special provisions relating to small companies within part 15 of the Companies Act 2006.

Independent Auditors and disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

Approved by the board and signed on behalf of the board of directors



Douglas McNeilly
Director
26 February 2015

Barnes Group (Scotland) Limited

Independent Auditors' Report to the Members of Barnes Group (Scotland) Limited

Year ended 31 May 2014

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of accounting. It is management's intention to liquidate the remaining assets of the company subsequent to the balance sheet date. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, which are prepared by Barnes Group (Scotland) Limited, comprise:

- the balance sheet as at 31 May 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Barnes Group (Scotland) Limited

Independent Auditors' Report to the Members of Barnes Group (Scotland) Limited

Year ended 31 May 2014

Opinion on the matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Duncan Stratford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

26 February 2015

Barnes Group (Scotland) Limited

Profit and Loss Account

Year ended 31 May 2014

	Note	2014 £	2013 £
Administrative expenses		-	-
Operating result	2	-	-
Interest receivable and similar income	5	<u>122,869</u>	<u>122,869</u>
Profit on Ordinary Activities Before Taxation		<u>122,869</u>	<u>122,869</u>
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	11	<u>122,869</u>	<u>122,869</u>

There were no recognised gains or losses for 2014 or 2013 other than those included in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

All results are derived from discontinued operations.

The notes on pages 8 to 10 form part of these financial statements.

Barnes Group (Scotland) Limited

Balance Sheet

As at 31 May 2014

	Note	2014 £	2013 £
Current Assets			
Debtors	7	10,501,569	10,378,700
		<u>10,501,569</u>	<u>10,378,700</u>
Creditors: Amounts falling due within One Year	8	(214,807)	(214,807)
Net Current Assets		<u>10,286,762</u>	<u>10,163,893</u>
Total Assets Less Current Liabilities		<u>10,286,762</u>	<u>10,163,893</u>
Capital and Reserves			
Called up share capital	10	2,174	2,174
Share premium	11	19,826	19,826
Profit and loss account	11	10,264,762	10,141,893
Total Shareholders' Funds	12	<u>10,286,762</u>	<u>10,163,893</u>

These financial statements on pages 6 to 10 were approved by the board of directors on 26 February 2015 and are signed on their behalf by:



Douglas McNeilly
Director

The notes on pages 8 to 10 form part of these financial statements.

Barnes Group (Scotland) Limited

Notes to the financial statements

Year ended 31 May 2014

1. Accounting policies

The financial statements have been prepared in accordance with The Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently through the year, are set out below.

Going concern

The ultimate parent undertaking, has reviewed its strategic options and, given the non-trading nature of the company, has decided to liquidate the company in the near future after the balance sheet date. Therefore the directors have concluded that it is inappropriate to prepare the financial statements on a going concern basis, and have therefore prepared the financial statements on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Basis of preparation

The financial statements are prepared under the historical cost convention adjusted where necessary to reflect the realisable value on the basis that the company is no longer a going concern.

Cash flow

The company is a wholly owned subsidiary company of a group headed by Barnes Group Inc, a company incorporated in the United States of America, and was included in the consolidated financial statements of Barnes Group Inc, which are publicly available. Consequently, the company has taken advantage of the exemption available under Financial Reporting Standard No 1 'Cash Flow Statements' from preparing a cash flow statement.

Deferred taxation

Deferred taxation is provided for on all timing differences whether or not they are expected to reverse in the future. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

2. Operating result

- (a) The auditors' remuneration for the current and prior year is borne by the parent company.
- (b) During the current year and the prior year the company had no employees.

3. Directors' emoluments

In the current year and the prior year the directors' remuneration has been borne by the parent company or other members of the group.

4. Services provided by the company's auditors

	2014	2013
	£	£
Fees payable for the audit	900	1,000

5. Interest receivable and similar income

	2014	2013
	£	£
Interest receivable from group undertakings	122,869	122,869

Barnes Group (Scotland) Limited

Notes to the financial statements (continued)

Year ended 31 May 2014

6. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22.7% (2013 – 23.8%)	-	-
Total current tax	-	-

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 22.7% (2013: 23.8%).

	2014 £	2013 £
Profit on ordinary activities before taxation	122,869	122,869
Profit on ordinary activities at standard rate of tax of 22.7% (2013: 23.8%)	27,891	29,243
Group relief not paid	(27,891)	(29,243)
Total current tax (note 6(a))	-	-

Factors that may affect future tax charges

During the year, the reduction in the UK main corporation tax rate from 24% to 23% that was substantially enacted on 3 July 2012, was effective 1 April 2013. A further reduction to the main rate has been substantively enacted to reduce the rate from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

7. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	10,501,569	10,378,700

The amounts owed by group undertakings incur interest at 1% above the Bank of England base rate with no fixed repayment date.

8. Creditors: Amounts falling due within One Year

	2014 £	2013 £
Amounts owed to group undertakings	214,807	214,807
	214,807	214,807

The amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

Barnes Group (Scotland) Limited

Notes to the financial statements (continued)

Year ended 31 May 2014

9. Related Party Transactions

As the company is a wholly owned subsidiary of Barnes Group (U.K.) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Barnes Group Inc, the ultimate controlling party.

10. Called Up Share Capital

	2014 £	2013 £
Allotted, called up and fully paid		
2,174 ordinary shares of £ 1 each (2013: 2,174)	2,174	2,174
	<u>2,174</u>	<u>2,174</u>

11. Reserves

	Share Premium Account £	Profit and Loss account £
At 1 June 2013	19,826	10,141,893
Profit for the financial year	-	122,869
At 31 May 2014	<u>19,826</u>	<u>10,264,762</u>

12. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	122,869	122,869
Opening shareholders' funds	10,163,893	10,041,024
Closing shareholders' funds	<u>10,286,762</u>	<u>10,163,893</u>

13. Controlling party

The ultimate parent undertaking is Barnes Group Inc. incorporated in the USA. The immediate parent undertaking is Barnes Group (U.K.) Limited incorporated in the United Kingdom.

The smallest and largest undertakings for which consolidated financial statements are drawn up and of which the company is a member are Barnes Group Inc. and Barnes Group (U.K.) Limited.

Copies of the financial statements of the immediate parent undertaking and ultimate parent undertaking can be obtained from the addresses below:

Barnes Group (U.K.) Limited
Unit 4 Grosvenor Business Centre
Vale Park
Evesham
Worcestershire
WR11 1GS

Barnes Group Inc.
123 Main Street
PO Box 489
Bristol, CT 06010
USA