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Barnes Group (Scotland) Limited

Annual report and financial statements

for the year ended 31 May 2019

Company number: SC063330



**Annual Report and financial statements
for the year ended 31 May 2019**

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Barnes Group (Scotland) Limited

Company number: SC063330

Directors and advisors

Directors

Douglas McNeilly
Michael Kennedy

Registered Office

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Bankers

HSBC Bank plc
Wales and West Corporate Banking Centre
3 Rivergate
Temple Quay
Bristol
BS1 6ER

Directors' report for the year ended 31 May 2019

The directors present their Annual report and audited financial statements for the company for the year ended 31 May 2019.

Principal activities

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.

Results and dividends

The profit before taxation, amounted to £139,868 (2018: £114,229). The directors do not recommend the payment of a dividend (2018: £nil). The results for the year are set out in the Statement of Comprehensive Income on page 7.

Review of business and future developments

The future of the business is uncertain, however, a decision to wind up the company has not been made.

Directors and their interests

The Directors of the company who served during the year and up to the date of this report are listed on page 1.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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.

Directors' report for the year ended 31 May 2019 (continued)

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as 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.

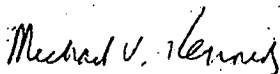
Independent Auditors

PricewaterhouseCoopers LLP, having offered themselves for reappointment as auditors, shall be deemed to be reappointed for the next financial year.

Small company provisions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 FEBRUARY 2020 and signed on its behalf by:



Michael Kennedy
Director

Independent auditors' report to the members of Barnes Group (Scotland) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Barnes Group (Scotland) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 May 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

Independent auditors' report to the members of Barnes Group (Scotland) Limited (continued)

accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities. With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 May 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Independent auditors' report to the members of Barnes Group (Scotland) Limited (continued)

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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

26 February 2020

Barnes Group (Scotland) Limited

Registered number: SC063330

Statement of Comprehensive Income for the year ended 31 May 2019

	Note	2019 £	2018 £
Turnover		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		-	-
Operating result	4	-	-
Interest receivable and similar income	5	139,868	114,229
Interest payable and similar expenses		-	-
Profit before taxation		139,868	114,229
Tax on profit	6	-	-
Profit for the financial year		139,868	114,229
Total comprehensive income for the year		139,868	114,229

All items dealt with in arriving at the profit before taxation above relate to discontinued operations.

The notes on pages 10 to 16 form part of these financial statements.

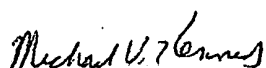
Barnes Group (Scotland) Limited

Registered number: SC063330

Statement of Financial Position as at 31 May 2019

	Note	2019	2019	2018	2018
		£	£	£	£
Current assets					
Debtors	7	11,107,385		10,967,517	
Creditors: amounts falling due within one year	8	(214,807)		(214,807)	
Net current assets			10,892,578		10,752,710
Total assets less current liabilities			10,892,578		10,752,710
Net assets			10,892,578		10,752,710
Capital and reserves					
Called up share capital	10		2,174		2,174
Share premium account			19,826		19,826
Profit and loss account	11		10,870,578		10,730,710
Total shareholders' funds	12		10,892,578		10,752,710

The financial statements on pages 7 to 16 were approved and authorised for issue by the board and were signed on its behalf on 25.2.20 by:



Michael Kennedy
Director

The notes on pages 10 to 16 form part of these financial statements.

Statement of Changes in Equity for the year ended 31 May 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total Shareholders' Funds £
As at 1 June 2018	2,174	19,826	10,730,710	10,752,710
Comprehensive income for the year				
Profit for the financial year	-	-	139,868	139,868
Total comprehensive income for the year	-	-	139,868	139,868
As at 31 May 2019	2,174	19,826	10,870,578	10,892,578

For the year ended 31 May 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total Shareholders' Funds £
As at 1 June 2017	2,174	19,826	10,616,481	10,638,481
Comprehensive income for the year				
Profit for the financial year	-	-	114,229	114,229
Total comprehensive income for the year	-	-	114,229	114,229
As at 31 May 2018	2,174	19,826	10,730,710	10,752,710

The notes on pages 10 to 16 form part of these financial statements.

Notes to the financial statements for the year ended 31 May 2019

1. General Information

The company is a private company limited by shares and is incorporated in England & Wales and domiciled in the United Kingdom. The address of its registered office is 1 Exchange Crescent, Conference Square, Edinburgh, Lothian, EH3 8UL. The future of the business which has previously ceased trade is uncertain, however, a decision to wind up the company has not been made.

2. Accounting policies

a) Basis of preparation

The individual financial statements of Barnes Group (Scotland) Limited have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

b) Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows paragraph 3.17(d);
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- non-disclosure of key management compensation paragraph 33.7.
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barnes Group Inc. as at 31 December 2017 which can be obtained from the address disclosed in note 14.

c) 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.

d) 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 May 2019 (continued)

e) 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.

f) Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

g) 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 May 2019 (continued)**h) Foreign currency**

The company's functional and presentation currency is the pound sterling.

i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

j) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

3. Critical judgements in applying the entity's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Given the size and nature of the company the directors do not consider there to be any judgements or estimates which have a material impact on the company.

4. Operating result

The immediate parent undertaking, Barnes Group (U.K.) Limited bears the audit fee for the company (2019: £1,030, 2018: £1,030) without recharge.

There are zero (2018: zero) employees in the company other than the directors. Zero employee costs have been incurred within the company during the year (2018: zero).

During the year the emoluments of the directors were borne by another group company without recharge. The directors of the company are also directors of a number of other group companies and it is not possible to make an accurate apportionment of the emoluments in respect of the company.

Key management is deemed to be the company Directors.

Notes to the financial statements for the year ended 31 May 2019 (continued)

5. Interest receivable and similar income

	2019 £	2018 £
Interest receivable from group undertakings	139,868	114,229

6. Tax on profit

	2019 £	2018 £
Analysis of tax charge in year		
Current tax		
UK corporation tax charge on profit of the year	-	-
Adjustments in respect of prior year	-	-
Total current tax	-	-
Deferred tax		
Current year charge for deferred tax	-	-
Total deferred tax charge	-	-
Tax on profit	-	-

The tax assessed for the year is lower (2018: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 May 2019 at 19.00% (2018: 19.00%).

	2019 £	2018 £
Current Tax		
Profit before taxation	139,868	114,229
Profit before taxation multiplied by the relevant standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).	26,575	21,704
Effects of:		
Group relief not paid	(26,575)	(21,704)
Tax charge for the year	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements for the year ended 31 May 2019 (continued)

7. Debtors

	2019 £	2018 £
Due within one year		
Amounts owed by group undertakings	11,107,385	10,967,517
	11,107,385	10,967,517

The amounts owed by group undertakings of £11,107,385 (2018: £10,967,517) due from Barnes Group (U.K.) Limited, the immediate parent company. The amounts due are unsecured and achieves interest at 1% (2018: 1%) above the Bank of England base rate and has no fixed repayment date.

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	214,807	214,807
	214,807	214,807

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Financial instruments

	2019 £	2018 £
Financial Assets		
Financial assets that are debt instruments measured at amortised cost	11,107,385	10,967,517
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	214,807	214,807

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

Notes to the financial statements for the year ended 31 May 2019 (continued)

10. Called up share capital

	2019 £	2018 £
Allotted called up and fully paid		
2,174 ordinary shares of £1 each (2018: 2,174)	2,174	2,174
	2,174	2,174

There is no movement in the opening and closing allotted and fully paid share capital in the two financial years stated.

Rights to capital

In the event of the Company being wound up, the right to have the surplus assets of the company applied in the first place in repaying to them the amount paid up on the Preference Shares, but the holders of the Preference Shares shall not be entitled to any further participation in such surplus assets.

Voting rights

No rights to vote in general meetings of the Company.

11. Profit and Loss Account

	Profit and loss account £
At 1 June 2018	10,730,710
Profit for the financial year	139,868
At 31 May 2019	10,870,578

12. Reconciliation of movements in shareholders' funds

	2019 £	2018 £
Profit for the financial year	139,868	114,229
Opening shareholders' funds	10,752,710	10,638,481
Closing shareholders' funds	10,892,578	10,752,710

Notes to the financial statements for the year ended 31 May 2019 (continued)**13. Capital commitments and contingent liabilities**

The company had no capital commitments or contingent liabilities at 31 May 2019 or 31 May 2018.

14. Ultimate parent undertaking and controlling party

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

Barnes Group Inc. and Barnes Group (U.K.) Limited are the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2018 respectively.

Copies of the consolidated 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 06011
USA