

Registration number: SC208636

**MEARS**

# Mears Scotland (Services) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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**Mears Scotland (Services) Limited**

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**Mears Scotland (Services) Limited**

**Company Information**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | W Docherty   |
|                          | D J Miles  |
|                          | A C M Smith  |
| <b>Company secretary</b> | B R Westran  |
| <b>Registered office</b> | 224 West George Street<br>Glasgow<br>G2 2PQ  |
| <b>Solicitors</b>        | BPE<br>St James' House<br>St James' Square<br>Cheltenham<br>Gloucestershire<br>GL50 3PR                                  |
| <b>Bankers</b>           | Barclays Bank PLC<br>Corporate Banking<br>4th Floor Bridgwater House<br>Counterslip, Finzels Reach<br>Bristol<br>BS1 6BH |

**Mears Scotland (Services) Limited**

**Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors has taken exemption under this regime not to disclose the strategic report.

**Directors' of the company**

The directors, who held office during the year, were as follows:

W Docherty

D J Miles

A C M Smith

**Principal activity**

The Company did not trade during the period. It is expected to remain dormant for the foreseeable future.

**Going concern**

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

After making enquiries, the Directors believe that the Group has 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 and to provide this support to the Company as required. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

**Directors' liabilities**

Indemnifications of Directors in accordance with our Articles of Association and to the extent permitted by the laws of England and Wales, Directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their position in office. However, our indemnity does not cover Directors or officers in the event of being proven of acting dishonestly or fraudulently.

**Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 6 October 2020 and signed on its behalf by:



.....  
B R Westran  
Company secretary

## **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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether FRS 101 has 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.

**Mears Scotland (Services) Limited**

**Profit and Loss Account for the Year Ended 31 December 2019**

|                   | Note | 2019<br>£ 000 | 2018<br>£ 000 |
|-------------------|------|---------------|---------------|
| Revenue           |      | -             | -             |
| Exceptional items | 4    | -             | (4,535)       |
| Operating loss    |      | -             | (4,535)       |
| Loss before tax   |      | -             | (4,535)       |
| Loss for the year |      | -             | (4,535)       |

The above results were derived from continuing operations.

**Mears Scotland (Services) Limited**

**(Registration number: SC208636)**

**Balance Sheet as at 31 December 2019**

|                               |      | 31 December<br>2019<br>£ 000 | 31 December<br>2018<br>£ 000 |
|-------------------------------|------|------------------------------|------------------------------|
|                               | Note |                              |                              |
| <b>Capital and reserves</b>   |      |                              |                              |
| Called up share capital       | 7    | 1                            | 1                            |
| Profit and loss account       |      | <u>(1)</u>                   | <u>(1)</u>                   |
| Shareholders' funds/(deficit) |      | <u>-</u>                     | <u>-</u>                     |

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 6 October 2020 and signed on its behalf by:



.....  
A C M Smith  
Director

**Mears Scotland (Services) Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2019**

|                     | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|---------------------|------------------------|-------------------------------|----------------|
| At 1 January 2019   | 1                      | (1)                           | -              |
| At 31 December 2019 | 1                      | (1)                           | -              |

|                            | Share capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|----------------------------|------------------------|-------------------------------|----------------|
| At 1 January 2018          | 1                      | 4,534                         | 4,535          |
| Loss for the year          | -                      | (4,535)                       | (4,535)        |
| Total comprehensive income | -                      | (4,535)                       | (4,535)        |
| At 31 December 2018        | 1                      | (1)                           | -              |



**Mears Scotland (Services) Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

224 West George Street

Glasgow

G2 2PQ

United Kingdom

These financial statements were authorised for issue by the Board on 6 October 2020.

### **2 Accounting policies**

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with applicable accounting standards, including FRS 101, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sterling (£).

#### *Impact of COVID-19*

The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. The Directors completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues and productivity. This most severe downside scenario is currently considered unlikely; however it is difficult to predict the overall outcome and impact of COVID-19 at this stage. The Directors believe that in this most severe downside scenario, there is a risk that the Company's funding requirement could exceed its existing committed debt facilities.

Only the specific downside scenario would indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern. On this basis, the Directors are satisfied that the Company has adequate resources to meet its obligations as they fall due and, for this reason, they continue to adopt the going concern basis in preparing the Company's 2019 financial statements.

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

### **2 Accounting policies (continued)**

#### **Summary of disclosure exemptions**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- c) The requirements of IFRS 15 Revenue from Contracts with Customers;
- d) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1; and
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- e) The requirements of paragraph 10(d) and 134 to 136 of IAS 1 Presentation of Financial Statements;
- f) The requirements of IAS 7 Statement of Cash Flows;
- g) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- h) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- i) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- j) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

#### **Exceptional costs**

Exceptional costs are disclosed on the face of the Profit and Loss Account where these are material and considered necessary to explain the underlying financial performance of the Company. They are either one off in nature or necessary elements of expenditure to derive future benefits for the Company which have not been capitalised in the Balance Sheet.

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

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Reserves**

Share capital is determined using the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4 Exceptional items

Exceptional items comprise £nil (2018: £4,535,000) in respect of the write off of intercompany debt.

### 5 Auditors' remuneration

|                                   | 2019<br>£ 000 | 2018<br>£ 000 |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | -             | 2             |

Auditor's remuneration of £nil (2018: £2,000) was borne by the ultimate parent company.

### 6 Contingent liabilities

Mears Scotland (Services) Limited and the other companies in the group headed by Mears Group PLC have entered into a Composite Accounting Agreement with the Bank, whereby each Company has provided a guarantee to the Bank and, under the terms of the guarantees, the Bank is authorised to allow set-off for interest purposes and in certain circumstances to set-off debit and credit balances within the Composite Accounting System. The Bank has a fixed and floating charge over the assets of Mears Scotland (Services) Limited in respect of this arrangement.

**Mears Scotland (Services) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**7 Share capital**

Authorised, allotted, called up and fully paid shares

|                                | 31 December<br>2019 |              | 31 December<br>2018 |              |
|--------------------------------|---------------------|--------------|---------------------|--------------|
|                                | No.                 | £            | No.                 | £            |
| 'A' ordinary shares of £1 each | 667                 | 667          | 667                 | 667          |
| 'B' ordinary shares of £1 each | 333                 | 333          | 333                 | 333          |
|                                | <u>1,000</u>        | <u>1,000</u> | <u>1,000</u>        | <u>1,000</u> |

**8 Parent and ultimate parent undertaking**

The company's immediate parent is Morrison Facilities Services Limited by virtue of its 66.7% shareholding.

The ultimate parent is Mears Group PLC by virtue of its 100% shareholding in Morrison Facilities Services Limited.

The most senior parent entity producing publicly available financial statements is Mears Group PLC. These financial statements are available upon request from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH.