

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**FOR**

**JOHN BROWN (STRONE) LIMITED**

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**for the Year Ended 31 March 2020**

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**JOHN BROWN (STRONE) LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 March 2020**

**DIRECTORS:**

G Brown  
Mrs E Brown

**SECRETARY:**

Mrs E Brown

**REGISTERED OFFICE:**

Strone Place  
5 Hamilton Street  
Dunoon  
Argyll  
PA23 7RG

**REGISTERED NUMBER:**

SC029516 (Scotland)

**ACCOUNTANTS:**

John M Taylor & Co  
Chartered Accountants  
9 Glasgow Road  
PAISLEY  
Renfrewshire  
PA1 3QS

**JOHN BROWN (STRONE) LIMITED (REGISTERED NUMBER: SC029516)****BALANCE SHEET****31 March 2020**

31.3.19			Notes	31.3.20	
£	£			£	£
		<b>FIXED ASSETS</b>			
	196,967	Tangible assets	5		147,768
		<b>CURRENT ASSETS</b>			
545,569		Stocks		261,867	
308,265		Debtors	6	676,953	
121,160		Cash at bank and in hand		259,096	
974,994				1,197,916	
		<b>CREDITORS</b>			
374,321		Amounts falling due within one year	7	430,684	
	600,673	<b>NET CURRENT ASSETS</b>			767,232
	797,640	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			915,000
		<b>CREDITORS</b>			
	(6,930)	Amounts falling due after more than one year	8		(1,155)
	(37,423)	<b>PROVISIONS FOR LIABILITIES</b>	10		(28,075)
	753,287	<b>NET ASSETS</b>			885,770
		<b>CAPITAL AND RESERVES</b>			
	105,000	Called up share capital	11		105,000
	648,287	Retained earnings			780,770
	753,287	<b>SHAREHOLDERS' FUNDS</b>			885,770

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 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 notes form part of these financial statements

**BALANCE SHEET - continued**  
**31 March 2020**

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2020 and were signed on its behalf by:

G Brown - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 March 2020**

**1. STATUTORY INFORMATION**

John Brown (Strone) Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Going concern**

In light of the ongoing global health crisis caused by COVID-19, the directors have assessed the impact that a period of interrupted trading would bring and have taken measures to reduce the company's cost base in order to combat the reduction in revenues that this would cause, including the use of the government furlough scheme. The directors have put in place contingency plans to reduce the cost base in order to ensure the company can continue as a going concern with the ability to scale the business back up again once the pandemic is over. Accordingly the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to the cost at the balance sheet date plus a contribution to profit dependent on the status of services completed.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2020**

**3. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Taxation**

Taxation represents the sum of tax currently payable and deferred tax on a non discounted basis.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Cash & cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Financial instruments**

Basic financial instruments are recognised at amortised cost. Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are classified in accordance with their underlying economic reality.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 35 (2019 - 41) .

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2020**

**5. TANGIBLE FIXED ASSETS**

	Totals £	Plant & machinery £	Motor vehicles £
<b>COST</b>			
At 1 April 2019	488,391	271,507	216,884
Disposals	(45,500)	(45,500)	-
At 31 March 2020	<u>442,891</u>	<u>226,007</u>	<u>216,884</u>
<b>DEPRECIATION</b>			
At 1 April 2019	291,424	187,855	103,569
Charge for year	44,614	16,286	28,328
Eliminated on disposal	(40,916)	(40,916)	-
Transfer to ownership	<u>1</u>	<u>-</u>	<u>1</u>
At 31 March 2020	<u>295,123</u>	<u>163,225</u>	<u>131,898</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>147,768</u>	<u>62,782</u>	<u>84,986</u>
At 31 March 2019	<u>196,967</u>	<u>83,652</u>	<u>113,315</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Totals £	Plant & machinery £	Motor vehicles £
<b>COST</b>			
At 1 April 2019	85,160	45,400	39,760
Transfer to ownership	(69,760)	(30,000)	(39,760)
At 31 March 2020	<u>15,400</u>	<u>15,400</u>	<u>-</u>
<b>DEPRECIATION</b>			
At 1 April 2019	48,299	18,998	29,301
Charge for year	2,618	2,618	-
Transfer to ownership	(45,989)	(16,688)	(29,301)
At 31 March 2020	<u>4,928</u>	<u>4,928</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>10,472</u>	<u>10,472</u>	<u>-</u>
At 31 March 2019	<u>36,861</u>	<u>26,402</u>	<u>10,459</u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20 £	31.3.19 £
Trade debtors	169,529	158,400
Amounts owed by group undertakings	490,937	143,015
Other debtors	<u>16,487</u>	<u>6,850</u>
	<u>676,953</u>	<u>308,265</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2020****7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Hire purchase contracts	4,620	3,465
Trade creditors	123,277	207,467
Taxation and social security	228,571	117,540
Other creditors	74,216	45,849
	<u>430,684</u>	<u>374,321</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.20	31.3.19
	£	£
Hire purchase contracts	<u>1,155</u>	<u>6,930</u>

**9. SECURED DEBTS**

The Royal Bank of Scotland plc held a floating charge over the whole of the assets of the company at 31 March 2019 and has since been discharged.

**10. PROVISIONS FOR LIABILITIES**

	31.3.20	31.3.19
	£	£
Deferred tax	<u>28,075</u>	<u>37,423</u>
		Deferred tax
		£
Balance at 1 April 2019		37,423
Credit to Income Statement during year		(9,348)
Balance at 31 March 2020		<u>28,075</u>

This is in respect of accelerated capital allowances.

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.20	31.3.19
			£	£
105,000	Ordinary	£1	<u>105,000</u>	<u>105,000</u>

**12. POST BALANCE SHEET EVENTS**

Subsequent to the year end a global health crisis caused by COVID-19 emerged which has had a significant impact on all businesses. The directors have assessed the potential impact of this uncertain situation on the company with the information available and do not consider that it will lead to any subsequent impairment of the carrying amount of reported assets. Plans have been put in place in order to mitigate the negative effects of a period of interrupted trading which will enable the company to continue as a going concern. At the date of the signing of these financial statements all of the company's employees are back working full-time.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2020**

**13. ULTIMATE CONTROLLING PARTY**

G Brown is the ultimate controlling party at the balance sheet date but at the date of signing these financial statements the Employee Ownership Trust is the ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.