

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

FOR

JOHN BROWN (STRONE) LIMITED

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for the Year Ended 31 March 2023

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JOHN BROWN (STRONE) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2023

DIRECTORS:

G Brown
Mrs E Brown
P Galbraith

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 2023**

| | 31.3.22 | | | 31.3.23 |
|------------------|---------|--|---------|------------------|
| £ | £ | Notes | £ | £ |
| | | | | |
| | 98,481 | FIXED ASSETS | | |
| | | Tangible assets | | 90,974 |
| | | | | |
| | | CURRENT ASSETS | | |
| 256,920 | | Stocks | 481,512 | |
| 775,594 | | Debtors | 6 | 582,083 |
| 79,870 | | Cash at bank and in hand | | 209,556 |
| <u>1,112,384</u> | | | | <u>1,273,151</u> |
| | | CREDITORS | | |
| 327,837 | | Amounts falling due within one year | 7 | 459,202 |
| <u>784,547</u> | | NET CURRENT ASSETS | | <u>813,949</u> |
| 883,028 | | TOTAL ASSETS LESS CURRENT LIABILITIES | | 904,923 |
| | | | | |
| | | CREDITORS | | |
| (130,000) | | Amounts falling due after more than one year | 8 | (106,479) |
| <u>(18,711)</u> | | PROVISIONS FOR LIABILITIES | 10 | <u>(17,285)</u> |
| <u>734,317</u> | | NET ASSETS | | <u>781,159</u> |
| | | | | |
| | | CAPITAL AND RESERVES | | |
| 105,000 | | Called up share capital | 11 | 105,000 |
| 629,317 | | Retained earnings | | 676,159 |
| <u>734,317</u> | | SHAREHOLDERS' FUNDS | | <u>781,159</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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 2023

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 20 December 2023 and were signed on its behalf by:

G Brown - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2023

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

3. ACCOUNTING POLICIES - continued

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. Amounts owed to the pension company at the Balance Sheet date are included in Other Creditors at Note 9.

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 31 (2022 - 32) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

5. TANGIBLE FIXED ASSETS

| | Totals £ | Plant & machinery £ | Motor vehicles £ |
|------------------------|----------------|---------------------------|------------------------|
| COST | | | |
| At 1 April 2022 | 423,221 | 226,007 | 197,214 |
| Additions | 36,288 | 10,600 | 25,688 |
| Disposals | (46,178) | (46,178) | - |
| At 31 March 2023 | <u>413,331</u> | <u>190,429</u> | <u>222,902</u> |
| DEPRECIATION | | | |
| At 1 April 2022 | 324,740 | 185,825 | 138,915 |
| Charge for year | 27,477 | 8,621 | 18,856 |
| Eliminated on disposal | (29,860) | (29,860) | - |
| At 31 March 2023 | <u>322,357</u> | <u>164,586</u> | <u>157,771</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>90,974</u> | <u>25,843</u> | <u>65,131</u> |
| At 31 March 2022 | <u>98,481</u> | <u>40,182</u> | <u>58,299</u> |

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

| | Motor vehicles £ |
|-----------------------|------------------------|
| COST | |
| Additions | <u>25,688</u> |
| At 31 March 2023 | <u>25,688</u> |
| DEPRECIATION | |
| Charge for year | <u>4,281</u> |
| At 31 March 2023 | <u>4,281</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>21,407</u> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.23 £ | 31.3.22 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 126,263 | 142,787 |
| Amounts owed by group undertakings | 445,323 | 619,373 |
| Other debtors | <u>10,497</u> | <u>13,434</u> |
| | <u>582,083</u> | <u>775,594</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | | |
|------------------------------|----------------|----------------|
| | 31.3.23 | 31.3.22 |
| | £ | £ |
| Bank loans and overdrafts | 40,000 | 40,000 |
| Hire purchase contracts | 4,823 | - |
| Trade creditors | 167,744 | 118,187 |
| Taxation and social security | 180,786 | 139,061 |
| Other creditors | 65,849 | 30,589 |
| | <u>459,202</u> | <u>327,837</u> |

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

| | | |
|-------------------------|----------------|----------------|
| | 31.3.23 | 31.3.22 |
| | £ | £ |
| Bank loans | 90,000 | 130,000 |
| Hire purchase contracts | 16,479 | - |
| | <u>106,479</u> | <u>130,000</u> |

9. SECURED DEBTS

G Brown & Mrs E Brown jointly hold a bond and floating charge over the whole assets of the company. In addition, the company has given a guarantee to both to support the deferred consideration due to them from the John Brown (Strone) Holdings Limited Employee Ownership Trust, in connection with the sale of the immediate parent company's shares to the Trust.

10. PROVISIONS FOR LIABILITIES

| | | |
|--------------------------------|---------------|---------------|
| | 31.3.23 | 31.3.22 |
| | £ | £ |
| Deferred tax | <u>17,285</u> | <u>18,711</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 April 2022 | | 18,711 |
| Accelerated capital allowances | | (1,426) |
| Balance at 31 March 2023 | | <u>17,285</u> |

This is in respect of accelerated capital allowances.

11. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|----------------|----------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.3.23 | 31.3.22 |
| | | | £ | £ |
| 105,000 | Ordinary | £1 | <u>105,000</u> | <u>105,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

12. ULTIMATE CONTROLLING PARTY

John Brown (Strone) Holdings Limited Employee Ownership Trust is the ultimate controlling party,

13. IMMEDIATE PARENT COMPANY

The immediate parent company is John Brown (Strone) Holdings Limited, a company registered in Scotland and whose registered office is Strone Place, 5 Hamilton Street, Dunoon, Argyll, PA23 7RG.

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.