

JOHN WEISS & SON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



JOHN WEISS & SON LIMITED

COMPANY INFORMATION

Directors	R Ott D Johnson (appointed 1 September 2019) S Buchler (appointed 1 January 2020)
Company Secretary	S Jacobs
Registered number	00062893
Registered office	Edinburgh Way Harlow Essex CM20 2TT
Independent Auditors	Grant Thornton UK LLP Priory Place New London Road Chelmsford CM2 0PP
Bankers	Barclays Bank plc PO Box 12 Terminus Street Harlow Essex CM20 1XA
Solicitors	Dennis Faulkner & Alsop 6 Cheyne Walk Northampton NN1 5PT

JOHN WEISS & SON LIMITED

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JOHN WEISS & SON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their Report and the financial statements for the year ended 31 December 2019.

Principal activity

The manufacture and distribution of ophthalmic and micro-otology surgical instruments and consumables.

Results and dividends

The profit for the year, after taxation, amounted to £119,279 (2018 - loss £178,392).

Directors

The Directors who served during the year were:

R Ott
P Demarmels (resigned 30 November 2019)
D Johnson (appointed 1 September 2019)

Directors' responsibilities statement

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 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.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

JOHN WEISS & SON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

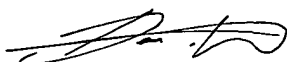
Re-appointment of auditors

The Auditors, Grant Thornton UK LLP, were appointed on 17 October 2019 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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 30 April 2020 and signed on its behalf.



D Johnson
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN WEISS & SON LIMITED

OPINION

We have audited the financial statements of John Weiss & Son Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE IMPACT OF MACRO-ECONOMIC UNCERTAINTIES TO OUR AUDIT

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN WEISS & SON LIMITED
(CONTINUED)**

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN WEISS & SON LIMITED (CONTINUED)

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN WEISS & SON LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This Report is made solely to the Company's Members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members for our audit work, for this Report, or for the opinions we have formed.



Graham Mummery (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chelmsford

30 April 2020

JOHN WEISS & SON LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	3,453,112	3,091,235
Cost of sales		(2,264,722)	(1,944,981)
GROSS PROFIT		1,188,390	1,146,254
Administrative expenses		(1,046,328)	(1,297,547)
OPERATING PROFIT/(LOSS)	5	142,062	(151,293)
Interest receivable and similar income		7	-
Interest payable and similar charges		(15,000)	(16,839)
PROFIT/(LOSS) BEFORE TAX		127,069	(168,132)
Tax on profit/(loss)	10	(7,790)	(10,260)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		119,279	(178,392)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Actuarial losses on defined benefit pension scheme	21	(211,000)	(27,000)
Movement of deferred tax relating to pension deficit		40,090	5,130
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(170,910)	(21,870)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(51,631)	(200,262)

The notes on pages 11 to 30 form part of these financial statements.

JOHN WEISS & SON LIMITED
REGISTERED NUMBER: 00062893

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	2,205	4,779
		<u>2,205</u>	<u>4,779</u>
CURRENT ASSETS			
Stocks	12	633,942	553,046
Debtors: amounts falling due after more than one year	13	134,900	102,600
Debtors: amounts falling due within one year	13	662,745	541,376
Cash at bank and in hand	14	195,205	400,772
		<u>1,626,792</u>	<u>1,597,794</u>
Creditors: amounts falling due within one year	15	(468,427)	(537,509)
NET CURRENT ASSETS		<u>1,158,365</u>	<u>1,060,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,160,570</u>	<u>1,065,064</u>
PROVISIONS FOR LIABILITIES			
Other provisions	17	-	(22,863)
		<u>-</u>	<u>(22,863)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>1,160,570</u>	<u>1,042,201</u>
Pension liability	21	(710,000)	(540,000)
NET ASSETS		<u><u>450,570</u></u>	<u><u>502,201</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	20,000	20,000
Profit and loss account		430,570	482,201
		<u><u>450,570</u></u>	<u><u>502,201</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 30 April 2020.

D Johnson
 Director



The notes on pages 11 to 30 form part of these financial statements.

JOHN WEISS & SON LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	20,000	482,201	502,201
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	119,279	119,279
	<hr/>	<hr/>	<hr/>
Actuarial losses on defined benefit pension scheme	-	(211,000)	(211,000)
Movement of deferred tax relating to pension deficit	-	40,090	40,090
	<hr/>	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	(170,910)	(170,910)
	<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(51,631)	(51,631)
	<hr/>	<hr/>	<hr/>
AT 31 DECEMBER 2019	20,000	430,570	450,570
	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 30 form part of these financial statements.

JOHN WEISS & SON LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	20,000	682,463	702,463
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(178,392)	(178,392)
Actuarial losses on pension scheme	-	(27,000)	(27,000)
Other movement type 2	-	5,130	5,130
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	(21,870)	(21,870)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(200,262)	(200,262)
AT 31 DECEMBER 2018	20,000	482,201	502,201

The notes on pages 11 to 30 form part of these financial statements.

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The Company is a private company limited by shares and is incorporated in England. The address of its Registered Office is Edinburgh Way, Harlow, Essex, CM20 2TT.

John Weiss & Son, Limited's principal activity is manufacture of medical and dental instruments and supplies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

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 following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions under the provisions of FRS 102:

- (i) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated.
- (ii) The exemption available under FRS 102 133, 1A not to present disclosures of transactions entered into between two or more members of a group.
- (iii) The exemption available in FRS 102 not to prepare a cashflow statement on the grounds that the Company meets with the definition of a qualifying entity.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The Directors have a reasonable expectation that the Company has the adequate resources to continue in operational existence for the foreseeable future. Haag-Streit Holdings AG, the Company's parent has provided the Directors with a letter of support at the time of approval of the financial statements indicating that they will provide such support to enable the Company to meet their liabilities as they fall due for a period of at least 12 months from approval. In accordance with this, they continue to adopt the going concern basis in preparation of the financial statements.

COVID-19 Pandemic

The World Health Authority (WHO) reported the first diagnosed case of COVID-19 on the 8th December 2019. During early 2020, various countries started to introduce restrictive measures (lockdowns) and restrictions on public transport (frequency and capacity reductions). It is certain that most organisations, including Haag-Streit UK, will be directly affected by the global impact of the COVID-19 pandemic. NHS hospitals begin to focus their resources on managing COVID-19 and move away from non-essential elective procedures.

Although the future economic consequences of the COVID-19 pandemic remain difficult to assess from our current perspective, prudence dictates that there will be a need for careful monitoring and planning during 2020. The Company is engaged in scenario and mitigation planning to help manage the impact of the pandemic on ongoing operations. Cashflow will be monitored and managed throughout the year. The Company is adhering to policies and advice from the UK government, NHS health authorities and WHO, and plans to reduce the impact of the situation by the adoption of appropriate policies and strategies. The Company continues to coordinate activities with the broader Clement Clarke and Haag-Streit Group of companies.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- over the period of the lease
Plant and machinery	- 3 to 12 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.11 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments and are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 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 and loans to related parties.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

2.16 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company participates in a group defined benefit pension scheme called the Clement Clarke (Holdings) (1990) pension scheme providing benefits based on the final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested in managed funds.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in pounds sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains and losses on defined benefit scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The scheme has been closed to new members and frozen to existing members for a number of years. The Company will continue to make payments into the scheme to meet the liability disclosed in note 21.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the period end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 19.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**4. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Products	3,408,819	3,012,768
Services	44,293	78,467
	<u>3,453,112</u>	<u>3,091,235</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	2,826,062	2,398,334
Rest of Europe	205,464	194,268
Rest of the World	421,586	498,633
	<u>3,453,112</u>	<u>3,091,235</u>

5. Operating profit/(loss)

The operating loss is stated after charging/crediting:

	2019 £	2018 £
Research & development charged as an expense	-	410
Exchange differences	68	(27)
Depreciation of tangible fixed assets	2,574	3,675
Other operating lease rentals	6,400	46,580
Land and building operating lease rentals	37,462	24,900
	<u>37,462</u>	<u>24,900</u>

6. Employees

	2019 £	2018 £
Wages and salaries	242,338	549,574
Social security costs	27,798	55,767
Costs of defined contribution scheme	17,214	27,568
Costs of defined benefit scheme	193	(30,861)
	<u>287,543</u>	<u>602,048</u>

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Selling and distribution	6	8
Administration	-	3
	<u>6</u>	<u>11</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	15,039	89,404
Company contributions to defined contribution pension schemes	981	6,152
	<u>16,020</u>	<u>95,556</u>

During the year retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2019 £	2018 £
Loans from group undertakings	-	1,839
Net interest expense on defined benefit liability	15,000	15,000
	<u>15,000</u>	<u>16,839</u>

9. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,750</u>	<u>21,900</u>

No amounts were paid to the Company's Auditor for non-audit services during the year (2018: £nil).

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences (Note 15)	7,790	10,260
Total deferred tax	7,790	10,260
Taxation on profit on ordinary activities	7,790	10,260

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	127,069	(168,132)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	24,143	(31,945)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(7,790)	(3,040)
Capital allowances for year in excess of depreciation	210	358
Non-taxable income	(334)	(7,220)
Group relief	(16,229)	41,655
Other differences leading to an increase (decrease) in the tax charge	-	192
Pension adjustment (Note 15)	7,790	10,260
Total tax charge for the year	7,790	10,260

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2019	7,679	119,795	127,474
At 31 December 2019	7,679	119,795	127,474
Depreciation			
At 1 January 2019	7,679	115,016	122,695
Charge for the year on owned assets	-	2,574	2,574
At 31 December 2019	7,679	117,590	125,269
Net book value			
At 31 December 2019	-	2,205	2,205
At 31 December 2018	-	4,779	4,779

12. Stocks

	2019 £	2018 £
Raw materials and consumables	45,490	-
Finished goods and goods for resale	588,452	553,046
	633,942	553,046

Stock recognised in cost of sales during the year as an expense was £2,317,154 (2018 - £1,944,981).

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Debtors

	2019 £	2018 £
Due after more than one year		
Deferred tax asset (Note 15)	134,900	102,600
	<u>134,900</u>	<u>102,600</u>
Due within one year		
Trade debtors	622,616	514,650
Amounts owed by group undertakings	-	1,531
Other debtors	20,000	-
Prepayments and accrued income	20,129	25,195
	<u>662,745</u>	<u>541,376</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>195,205</u>	<u>400,772</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	130,212	212,107
Amounts owed to group undertakings	175,023	170,732
Other taxation and social security	116,009	89,474
Other creditors	3,981	5,270
Accruals and deferred income	43,202	59,926
	<u>468,427</u>	<u>537,509</u>

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Deferred taxation

	2019 £	2018 £
At beginning of year	102,600	107,730
Charged to profit or loss	(7,790)	(10,260)
Charged to other comprehensive income	40,090	5,130
At end of year	134,900	102,600

The deferred tax asset is made up as follows:

	2019 £	2018 £
Pension surplus	134,900	102,600

17. Provisions

	Dilapidations provision £
At 1 January 2019	22,863
Released to profit and loss	(22,863)
At 31 December 2019	-

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
20,000 (2018 - 20,000) Ordinary shares of £1.00 each	20,000	20,000

Share capital represents the nominal value of shares issued. Shares carry voting rights and an entitlement to dividends.

19. Reserves

Profit and loss account

The profit and loss account comprises current and prior years retained profits and losses.

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Contingent liabilities

Cross guarantee:

The Company has entered into a cross guarantee with its immediate Parent Company and fellow subsidiaries. Under the terms of the agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debtor balances.

At 31 December 2019, these undertakings had an aggregate overdraft balance of £NIL (2018 - £NIL).

The Company has entered into a cross guarantee as part of a contract with the Republic of Iraq. Under the terms of the agreement and the guarantees, the bank is authorised under certain circumstances to seize £9,473 (2018 - £9,473).

Deferred duty bond:

The Company has deposited with its bankers a £40,000 bond in favour of HM Revenue and Customs as guarantee of deferred duty.

21. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The Clement Clarke (Holdings) 1990 Pension Scheme (the "Scheme") was established on 1 April 1990. It is a final salary defined benefit pension scheme that provides benefits to all qualifying employees. The Scheme was closed to the future accrual of benefits on 30 November 2009.

The Principal Employer is Clement Clarke International Ltd. There are three other Participating Employers, they are John Weiss & Son Ltd, Haag-Streit UK Ltd and Clement Clarke Holdings Ltd.

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements outlined in UK legislation. It is contracted-in to the state Earnings Related Pension Scheme (SERP) and the Second State Pension (S2P).

A trustee body, the Clement Clarke Pension Trustees Ltd has been established and is responsible for the operation and governance of the Scheme, including decisions regarding the Scheme's funding and investment strategy in conjunction with the principal and participating employers.

The most recent formal actuarial valuation of the Scheme was carried out as at 31 March 2017 by Broadstone, independent qualified actuaries. Under the Schedule of Contributions agreed as part of this valuation, it was agreed that the principal and participating employers would pay £1,100,000 per annum (increasing on 1 January by 3.5% each year) into the Scheme between 1 July 2018 and 31 March 2029.

The liabilities at the reporting date are based on an approximate update of the 31 March 2017 actuarial valuation rather than a full scheme valuation at the reporting date. The 31 March 2017 actuarial valuation liabilities have been updated to allow for the passage of time, cashflows paid into and out of the Scheme and changes to the actuarial assumptions. Such an approach is normal for the purposes of pension scheme accounting.

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Pension commitments (continued)

	2019 £	2018 £
Reconciliation of present value of plan liabilities:		
At the beginning of the year	1,349,000	1,417,000
Interest cost	39,000	39,000
Actuarial losses/(gains)	264,000	(38,000)
Benefits paid	(38,000)	(38,000)
Past service cost	-	(31,000)
At the end of the year	1,614,000	1,349,000

Reconciliation of present value of plan assets:

	2019 £	2018 £
At the beginning of the year	809,000	850,000
Interest income	24,000	24,000
Contributions	56,000	38,000
Benefits paid	(38,000)	(38,000)
Return on plan assets excluding interest income gains/(losses)	53,000	(65,000)
At the end of the year	904,000	809,000

Composition of plan assets:

	2019 £	2018 £
Multi-asset funds	396,000	485,000
Corporate bonds	129,000	164,000
Cash	48,000	18,000
LDI funds	331,000	142,000
Total plan assets	904,000	809,000

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Pension commitments (continued)

	2019 £	2018 £
Fair value of plan assets	904,000	809,000
Present value of plan liabilities	(1,614,000)	(1,349,000)
Net pension scheme liability	(710,000)	(540,000)

The amounts recognised in profit or loss are as follows:

	2019 £	2018 £
Net interest cost	15,000	15,000
Past service cost	-	(31,000)
Total	15,000	(16,000)

The Company expects to contribute £58,000 to its Defined Benefit Pension Scheme in 2020.

The amounts recognised in other comprehensive income are as follows:

	2019 £	2018 £
Actuarial (losses)/gains on plan liabilities	(264,000)	38,000
Actuarial gains /(losses) on plan assets	53,000	(65,000)
	(211,000)	(27,000)

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019 %	2018 %
Discount rate	1.9	2.9
Future increases to pensions in payment - pre April '90	5.0	5.0
Future increases to pensions in payment - April '90 to April '97	3.0	3.0
Future increases to pensions in payment - post April '97	3.4	3.4
RPI inflation rate	2.8	3.1
Mortality rates		
	S2PXACMI 2018	S2PXACMI 2017
Mortality (pre and post retirement)	1.25%	1.25%
	2019	2018
Life expectancies from age 65:		
- Male currently aged 65	21.5	22.0
- Female currently aged 65	23.4	23.9
- Male currently aged 45	22.8	23.4
- Female currently aged 45	24.9	25.4

At the end of the year the Company had £2,338 (2018 - £4,868) outstanding to the pension schemes.

JOHN WEISS & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**22. Commitments under operating leases**

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings		
Not later than 1 year	-	6,225
	<u>-</u>	<u>6,225</u>
	<u>-</u>	<u>6,225</u>
	2019 £	2018 £
Other		
Not later than 1 year	-	1,690
	<u>-</u>	<u>1,690</u>
	<u>-</u>	<u>1,690</u>

23. Related party transactions

The Company has taken advantage of the exemption available under FRS 102.33.1A not to present a disclosure of transactions entered into between two or more members of a group.

All Directors and certain senior employees who have authority and responsibility, directing and controlling the activities for the Company are considered to be key management personnel.

The controlling party and ultimate controlling party are disclosed in note 25.

	Emoluments 2019 £	Emoluments 2018 £
Transactions with key management personnel	<u>49,252</u>	<u>106,276</u>

JOHN WEISS & SON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Post balance sheet events

Since the year end, the World Health Organisation (WHO) has declared a global pandemic in relation to the Covid-19 virus. During early 2020, various countries started to introduce restrictive measures and restrictions on public transport. It is certain that most organisations, including John Weiss and Son, will be directly affected by the global impact of the COVID-19 pandemic. NHS hospitals begin to focus their resources on managing COVID-19 and move away from non-essential elective procedures.

Although the future economic consequences of the COVID-19 pandemic remain difficult to assess from our current perspective, prudence dictates that there will be a need for careful monitoring and planning during 2020. The Company is engaged in scenario and mitigation planning to help manage the impact of the pandemic on ongoing operations. Cashflow will be monitored and managed throughout the year. The Company is adhering to policies and advice from the UK government, NHS health authorities and WHO, and plans to reduce the impact of the situation by the adoption of appropriate policies and strategies. The Company continues to coordinate activities with the broader Clement Clarke and Haag-Streit Group of companies.

25. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Clement Clarke Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Metall Zug AG, a company incorporated in Switzerland.

Metall Zug AG is the parent undertaking of the largest and smallest group undertaking for which group financial statements are drawn up and of which the company is a member.

Copies of the consolidated financial statements for Metall Zug AG may be obtained from the Secretary, Metall Zug AG, Industriestrasse 66, 6302 Zug, Switzerland.