

Company Registration No. 01892238 (England and Wales)

**SCULLY U.K. LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**  
**PAGES FOR FILING WITH REGISTRAR**



# **SCULLY U.K. LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2017**

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies 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 director is 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. She is 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.

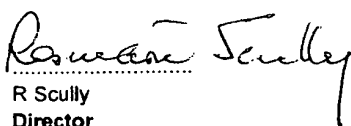
**SCULLY U.K. LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3		8,904		10,672
Investments	4		2		2
			<u>8,906</u>		<u>10,674</u>
<b>Current assets</b>					
Stocks		203,538		202,614	
Debtors	5	145,830		1,547,170	
Cash at bank and in hand		499,449		296,930	
		<u>848,817</u>		<u>2,046,714</u>	
<b>Creditors: amounts falling due within one year</b>	6	(204,770)		(1,406,696)	
<b>Net current assets</b>			<u>644,047</u>		<u>640,018</u>
<b>Total assets less current liabilities</b>			<u>652,953</u>		<u>650,692</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(105,710)		(105,710)
<b>Net assets</b>			<u>547,243</u>		<u>544,982</u>
<b>Capital and reserves</b>					
Called up share capital	9		127		127
Share premium account			363,499		363,499
Profit and loss reserves			183,617		181,356
<b>Total equity</b>			<u>547,243</u>		<u>544,982</u>

The director of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 12/03/2018 and are signed on its behalf by:

  
R Scully  
Director

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

#### Company information

Scully U.K. Limited is a private company limited by shares incorporated in England and Wales. The registered office is Meridian House, Unit 33, 37 Road One, Winsford Industrial Estate, Winsford, Cheshire, CW7 3QG.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Scully U.K. Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Scully U.K. Limited for the year ended 30 June 2016 were prepared in accordance with the Financial Reporting Standard For Smaller Entities (effective January 2015) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. The transition date for the company was 1 July 2015.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### Going concern

The financial statements have been prepared on a going concern basis. The validity of this assumption depends upon the continued financial support of the parent company, Scully Signal Co., which has agreed to support the company for the foreseeable future. On this basis the directors are of the opinion that the company is a going concern.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary course of business. Turnover is recognised at the point of exchange of goods and services. Turnover is shown net of Value Added Tax.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% reducing balance
Office equipment	20% reducing balance
Computer equipment	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the income statement.

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

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies (Continued)

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade debtors, other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Retirement benefits

For defined contribution schemes the amount charged to the income statement is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2016 - 7).

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 3 Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2016	4,965	114,891	53,596	24,777	198,229
Additions	-	30	-	-	30
At 30 June 2017	4,965	114,921	53,596	24,777	198,259
<b>Depreciation and impairment</b>					
At 1 July 2016	1,395	112,493	49,293	24,376	187,557
Depreciation charged in the year	357	480	861	100	1,798
At 30 June 2017	1,752	112,973	50,154	24,476	189,355
<b>Carrying amount</b>					
At 30 June 2017	3,213	1,948	3,442	301	8,904
At 30 June 2016	3,570	2,398	4,303	401	10,672

### 4 Fixed asset investments

	2017 £	2016 £
Investments	2	2

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2016 & 30 June 2017	2
<b>Carrying amount</b>	
At 30 June 2017	2
At 30 June 2016	2



# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	125,629	120,912
Corporation tax recoverable	5,607	6,519
Amounts owed by group undertakings	-	1,402,622
Other debtors	13,660	15,878
	<u>144,896</u>	<u>1,545,931</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	934	1,239
	<u>934</u>	<u>1,239</u>
<b>Total debtors</b>	<u>145,830</u>	<u>1,547,170</u>

### 6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	6,728	7,237
Amounts due to group undertakings	167,547	1,381,965
Other taxation and social security	20,419	6,197
Other creditors	10,076	11,297
	<u>204,770</u>	<u>1,406,696</u>

### 7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	105,710	105,710
	<u>105,710</u>	<u>105,710</u>

Creditors falling due after more than one year relate to a loan from the company's ultimate parent company, Scully Signal Co. The loan has no fixed date of repayment. Scully Signal Co has agreed that no amount will be payable before 30 June 2018 and have agreed to provide financial support for the company for the foreseeable future.

# SCULLY U.K. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 8 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	<b>Assets 2017 £</b>	<b>Assets 2016 £</b>
<b>Balances:</b>		
Accelerated capital allowances	934	1,239
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2017 £</b>
Liability/(Asset) at 1 July 2016		(1,239)
Charge to profit or loss		305
		<u>          </u>
Liability/(Asset) at 30 June 2017		(934)
		<u>          </u>

### 9 Called up share capital

	<b>2017 £</b>	<b>2016 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
127 Ordinary shares of £1 each	127	127
	<u>          </u>	<u>          </u>

### 10 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2017 £</b>	<b>2016 £</b>
Within one year	8,746	4,275
Between one and five years	14,577	-
	<u>          </u>	<u>          </u>
	23,323	4,275
	<u>          </u>	<u>          </u>

## **SCULLY U.K. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017**

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#### **11 Related party transactions**

During the year, the company purchased £14,666 (2016: £14,605) of goods and engineering services from Scully Systems NV, a fellow subsidiary of Scully Signal Co. group. During the year, the company sold £79,746 (2016: £86,000) of goods to Scully Systems NV. At the year end £1,091,916 (2016: £1,077,250) was owed to Scully Systems NV and £1,151,111 (2016: £1,071,365) was due from Scully Systems NV.

During the year, the company purchased £359,802 (2016: £367,096) of goods and engineering services from Scully Signal Co, the company's parent company. During the year, the company sold £6,518 (2016: £25,655) of goods to Scully Signal Co. At the year end £564,518 (2016: £304,716) was owed to Scully Signal Co. and £337,775 (2016: £331,257) was owed from Scully Signal Co.

At the year end £105,710 (2016: £105,710) was owed to Scully Signal Co, in respect of a loan due for repayment in more than one year.

#### **12 Parent company**

The company's parent company is Scully Signal Co., a company incorporated in the United States of America. Scully U.K. Limited accounts are consolidated in the accounts of Scully Signal Co. The registered office is 70 Industrial Way, Wilmington, MA 01887-4607, United States of America.

#### **13 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Gareth Jones.

The auditor was RSM UK Audit LLP.