

**REGISTERED NUMBER: SC145942 (Scotland)**

Companies House

**FLEXTRONICS SCOTLAND LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

Milne Craig  
Chartered accountants  
Statutory auditor  
Abercom House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA



**FLEXTRONICS SCOTLAND LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2023**

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**FLEXTRONICS SCOTLAND LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2023**

**DIRECTORS:**

Mike Meades  
David Stewart

**SECRETARY:**

Angela Helen Bolton

**REGISTERED OFFICE:**

3 - 5 Melville Street  
Edinburgh  
EH3 7PE

**REGISTERED NUMBER:**

SC145942 (Scotland)

**AUDITORS:**

Milne Craig  
Chartered accountants  
Statutory auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

**FLEXTRONICS SCOTLAND LIMITED (REGISTERED NUMBER: SC145942)**

**BALANCE SHEET  
31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
<b>CURRENT ASSETS</b>			
Debtors	4	42,618	38,288
<b>CREDITORS</b>			
Amounts falling due within one year	5	23,460	19,115
<b>NET CURRENT ASSETS</b>		<u>19,158</u>	<u>19,173</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,158	19,173
<b>PROVISIONS FOR LIABILITIES</b>	6	(164)	-
<b>PENSION ASSET</b>	8	796	4
<b>NET ASSETS</b>		<u>19,790</u>	<u>19,177</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		17,442	17,442
Share premium		147,246	147,246
Capital redemption reserve		7,000	7,000
Retained earnings		(151,898)	(152,511)
<b>SHAREHOLDERS' FUNDS</b>		<u>19,790</u>	<u>19,177</u>

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 19 September 2023 and were signed on its behalf by:



David Stewart - Director

The notes form part of these financial statements

## **FLEXTRONICS SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. STATUTORY INFORMATION**

Flextronics Scotland Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC145942 and registered office address is 3-5 Melville Street, Edinburgh, EH3 7PE.

The nature of the company's operations and its principal activities was that of a funding vehicle for various aspects of the Group's operations.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention.

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 £.

##### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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

In preparing these financial statements, the directors have made the following judgements:

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

## **FLEXTRONICS SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. 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 in the Company's balance sheet 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 debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### 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 creditors, 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. Financial liabilities classified as payable within one year are not amortised.

## **FLEXTRONICS SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. ACCOUNTING POLICIES - continued**

##### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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

The company operates a defined benefits and a defined contribution pension scheme. The assets of the schemes are held separately from those of the company.

Contributions to the defined benefits scheme are charged to the profit and loss account in accordance with the advice of an independent actuary so as to spread the cost of pensions over employees working lives with the company.

Contributions in respect of the defined contribution scheme are charged to the profit and loss account as incurred.

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

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

## **FLEXTRONICS SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. ACCOUNTING POLICIES - continued**

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

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2022 - NIL).

#### **4. DEBTORS**

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	9,110	7,883
Corporation tax	137	-
	<u>9,247</u>	<u>7,883</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>33,371</u>	<u>30,405</u>
Aggregate amounts	<u>42,618</u>	<u>38,288</u>



**FLEXTRONICS SCOTLAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£'000	£'000
Amounts owed to group undertakings	23,382	18,938
Accrued expenses	78	177
	<u>23,460</u>	<u>19,115</u>

**6. PROVISIONS FOR LIABILITIES**

	2023	2022
	£'000	£'000
Deferred tax	164	-
	<u>164</u>	<u>-</u>
		Deferred tax
		£'000
Charge to Profit and loss during year		67
Charge to other comprehensive income during the year		97
		<u>164</u>
Balance at 31 March 2023		<u>164</u>

The company has an unrecognised deferred tax asset of £239,000 (2022 - £269,000) relating to capital losses. This asset will be recoverable if the company makes sufficient suitable taxable profits in future.

An increase in the standard rate of UK corporation tax to 25% took place on 1 April 2023. The unrecognised deferred tax asset is therefore disclosed at a rate of 25%.

**7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Alex Webb - BAcc FCCA (Senior Statutory Auditor)  
for and on behalf of Milne Craig

**8. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined contribution pension scheme, which has a guaranteed minimum pension underpin and is therefore accounted for as a defined benefit scheme.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Current service cost	-	-
Net interest from net defined benefit asset/liability	(6)	8
Past service cost	-	-
	<u>(6)</u>	<u>8</u>
Actual return on plan assets	<u>(1,188)</u>	<u>(153)</u>

# FLEXTRONICS SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 8. EMPLOYEE BENEFIT OBLIGATIONS - continued

The total amount recognised in other comprehensive income in respect of actuarial gains/losses is a gain of £386,000 (2022 - gain of £224,000).

Cumulative actuarial losses reported in the statement of other comprehensive income for accounting periods ending on or after 22 June 2002 under paragraph 96 of FRS 7 for the defined contribution scheme with Guaranteed Minimum Pension Underpin are £796,000 (2022 - £1,155,000).

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Opening defined benefit obligation	8,339	8,769
Interest cost	214	184
Actuarial losses/(gains)	(1,794)	(553)
Benefits paid	(826)	(61)
	<u>5,933</u>	<u>8,339</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Opening fair value of scheme assets	8,343	8,257
Contributions by employer	400	300
Expected return	220	176
Actuarial gains/(losses)	(1,408)	(329)
Benefits paid	(826)	(61)
	<u>6,729</u>	<u>8,343</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2023	2022
	£'000	£'000
Actuarial (gains)/losses	(386)	(224)
	<u>(386)</u>	<u>(224)</u>

# **FLEXTRONICS SCOTLAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

### **8. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2023	2022
Equities	31%	26%
Bonds	52%	58%
Other	17%	16%
	<u>100%</u>	<u>100%</u>

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

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

	2023	2022
Discount rate	4.74%	2.70%
Future pension increases	2.15%	2.35%
RPI inflation	3.10%	3.30%
CPI inflation	2.70%	2.80%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity.

### **9. RELATED PARTY DISCLOSURES**

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.