

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
OILFIELD MACHINERY LIMITED**

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for the Year Ended 31 December 2020**

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OILFIELD MACHINERY LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2020

DIRECTORS:

Mr A J Fyfe
Dr G K Speirs
Mr D Stephen

REGISTERED OFFICE:

Orchard Loan
Orchardbank Business Park
Forfar
Angus
DD8 1TD

REGISTERED NUMBER:

SC381803 (Scotland)

ACCOUNTANTS:

Acumen Accountants and Advisors Limited
Unit 1, Office 1 & 8
Blackhall Industrial Estate
Burghmuir Circle
Inverurie
Aberdeenshire
AB51 4FS

OILFIELD MACHINERY LIMITED (REGISTERED NUMBER: SC381803)

BALANCE SHEET

31 December 2020

		2020		2019 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	5		5,266,647		3,258,222
Investments	6		100		100
Investment property	7		<u>691,313</u>		<u>231,667</u>
			5,958,060		3,489,989
CURRENT ASSETS					
Stocks		193,903		310,897	
Debtors	8	1,165,689		681,143	
Cash at bank		<u>484,272</u>		<u>702,447</u>	
		1,843,864		1,694,487	
CREDITORS					
Amounts falling due within one year	9	<u>596,659</u>		<u>712,563</u>	
NET CURRENT ASSETS			<u>1,247,205</u>		<u>981,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,205,265		4,471,913
CREDITORS					
Amounts falling due after more than one year	10		(4,329,548)		(2,092,431)
PROVISIONS FOR LIABILITIES			<u>(552,021)</u>		<u>(349,366)</u>
NET ASSETS			<u>2,323,696</u>		<u>2,030,116</u>
CAPITAL AND RESERVES					
Called up share capital			579		878
Share premium			99,921		354,622
Revaluation reserve	13		381,506		-
Capital redemption reserve			(494,500)		500
Retained earnings			<u>2,336,190</u>		<u>1,674,116</u>
			<u>2,323,696</u>		<u>2,030,116</u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued

31 December 2020

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

Mr A J Fyfe - Director

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

1. STATUTORY INFORMATION

Oilfield Machinery 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.

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 financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where the contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Tangible fixed assets

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

Land and buildings	- 2% on cost
Plant and machinery etc	- 20% on cost and 10% on cost

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. The gain or loss arising on the disposal of an asset is determined as the difference between the proceeds and the carrying value of the asset and is included in the profit and loss account.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

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

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

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.

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.

Financial instruments

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial assets are derecognised when the contractual rights to cash flows from the asset expire or are settled or when the company transfers the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, which include trade and other creditors and bank loans, are initially recognised at transaction price and are subsequently carried at amortised cost.

Financial liabilities are derecognised when the company's contractual obligations are discharged.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

3. ACCOUNTING POLICIES - continued

Going concern

The directors, having made due and careful enquiry, is of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2019 - 8).

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2020	252,933	3,725,031	3,977,964
Additions	-	2,846,947	2,846,947
Disposals	-	(38,892)	(38,892)
At 31 December 2020	<u>252,933</u>	<u>6,533,086</u>	<u>6,786,019</u>
DEPRECIATION			
At 1 January 2020	19,389	700,353	719,742
Charge for year	5,058	808,494	813,552
Eliminated on disposal	-	(13,922)	(13,922)
At 31 December 2020	<u>24,447</u>	<u>1,494,925</u>	<u>1,519,372</u>
NET BOOK VALUE			
At 31 December 2020	<u>228,486</u>	<u>5,038,161</u>	<u>5,266,647</u>
At 31 December 2019	<u>233,544</u>	<u>3,024,678</u>	<u>3,258,222</u>

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

	Plant and machinery etc £
COST	
At 1 January 2020	753,171
Additions	<u>2,591,250</u>
At 31 December 2020	<u>3,344,421</u>
DEPRECIATION	
At 1 January 2020	78,663
Charge for year	<u>426,394</u>
At 31 December 2020	<u>505,057</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,839,364</u>
At 31 December 2019	<u>674,508</u>

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

6. FIXED ASSET INVESTMENTS

Shares in
group
undertakings
£

COST

At 1 January 2020
and 31 December 2020

100

NET BOOK VALUE

At 31 December 2020

100

At 31 December 2019

100

7. INVESTMENT PROPERTY

Total
£

FAIR VALUE

At 1 January 2020

231,667

Revaluations

459,646

At 31 December 2020

691,313

NET BOOK VALUE

At 31 December 2020

691,313

At 31 December 2019

231,667

The investment properties consist of storage units which were valued in February 2016 independently by D M Hall chartered surveyors. The directors have reviewed the purchase valuation along with values of similar properties in the area and advised that the value should increase to £691,313 at 31 December 2020.

Fair value at 31 December 2020 is represented by:

	£
Valuation in 2019	231,667
Valuation in 2020	459,646
	<u>691,313</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019 as restated
	£	£
Trade debtors	76,174	479,649
Amounts owed by associates	952,968	-
Other debtors	136,547	201,494
	<u>1,165,689</u>	<u>681,143</u>

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019 as restated
	£	£
Bank loans and overdrafts	140,481	66,325
Trade creditors	68,195	75,037
Taxation and social security	41,753	179,657
Other creditors	<u>346,230</u>	<u>391,544</u>
	<u>596,659</u>	<u>712,563</u>

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

	2020	2019 as restated
	£	£
Bank loans	1,087,718	217,756
Other creditors	<u>3,241,830</u>	<u>1,874,675</u>
	<u>4,329,548</u>	<u>2,092,431</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Demag TC 2800 Crane	<u>99,548</u>	<u>-</u>
Repayable by instalments		
Other loans more 5yrs instal	-	657,800
Crane Demag AC 250-1	29,191	113,476
Demag TC 2800 Crane	498,140	-
SPMT	<u>520,567</u>	<u>-</u>
	<u>1,047,898</u>	<u>771,276</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019 as restated
	£	£
Within one year	13,359	747
Between one and five years	<u>7,699</u>	<u>2,241</u>
	<u>21,058</u>	<u>2,988</u>

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

12. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019 as restated
	£	£
Bank loans	1,228,199	284,081
Other loans	<u>750,000</u>	<u>1,495,000</u>
	<u>1,978,199</u>	<u>1,779,081</u>

The Clydesdale bank have a standard security over the property. there is also a bond and floating charges against the assets.

Polymer N2 Limited have a floating charge against the crane and all other assets.

13. RESERVES

	Revaluation reserve
	£
Non distributable reserves	<u>381,506</u>
At 31 December 2020	<u>381,506</u>

14. CONTINGENT LIABILITIES

The MK1500 crane capitalised under fixed assets at £2,244,181.04 under Plant & Machinery, was bought with support from government funding. If this crane is sold within 6 years from 31 March 2019 then the Scottish Ministers shall be entitled to the proceeds of the disposal, or relevant proportion of the proceeds based on the percentage of grant funding used in the connection with acquisition or improvement of the asset against the whole proceeds. This is capped at £590,785.

The SPMT capitalised under fixed assets at £1,249,597 under Plant and Machinery, was bought with support from government funding. If this crane is sold within 6 years from 14 April 2020 then the Scottish Ministers shall be entitled to the proceeds of the disposal, or relevant proportion of the proceeds based on the percentage of grant funding used in connection with the acquisition or improvement of the asset against the whole proceeds. This is capped at £360,000.

15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2020 and 31 December 2019:

	2020	2019 as restated
	£	£
Mr A J Fyfe		
Balance outstanding at start of year	431	-
Amounts advanced	6,969	431
Amounts repaid	(6,813)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>587</u>	<u>431</u>

16. RELATED PARTY DISCLOSURES

The company owns 100% of the share capital in OM Heavy Lift Ltd. During the year ended 31 December 2020, there was an outstanding creditor balance of £953,461 due to OM Heavy Lift Ltd.

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

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr A J Fyfe.

**CHARTERED CERTIFIED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
OILFIELD MACHINERY LIMITED (REGISTERED NUMBER: SC381803)**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Oilfield Machinery Limited for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of Oilfield Machinery Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Oilfield Machinery Limited and state those matters that we have agreed to state to the Board of Directors of Oilfield Machinery Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Oilfield Machinery Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Oilfield Machinery Limited. You consider that Oilfield Machinery Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Oilfield Machinery Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Acumen Accountants and Advisors Limited
Unit 1, Office 1 & 8
Blackhall Industrial Estate
Burghmuir Circle
Inverurie
Aberdeenshire
AB51 4FS

30 September 2021

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.