

**Company Registration No. SC419539 (Scotland)**

**OEM GROUP (SCOTLAND) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020  
PAGES FOR FILING WITH REGISTRAR**

# **OEM GROUP (SCOTLAND) LIMITED**

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# OEM GROUP (SCOTLAND) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	3		215,790		228,591
Investments	4		-		775,000
			<u>215,790</u>		<u>1,003,591</u>
<b>Current assets</b>					
Stocks		858,837		319,019	
Debtors	5	644,610		829,890	
Cash at bank and in hand		1,149		12,398	
		<u>1,504,596</u>		<u>1,161,307</u>	
<b>Creditors: amounts falling due within one year</b>	6	(1,107,743)		(1,382,816)	
<b>Net current assets/(liabilities)</b>			<u>396,853</u>		<u>(221,509)</u>
<b>Total assets less current liabilities</b>			612,643		782,082
<b>Creditors: amounts falling due after more than one year</b>	7		(584,649)		(489,217)
<b>Provisions for liabilities</b>			<u>(20,472)</u>		<u>(19,107)</u>
<b>Net assets</b>			<u>7,522</u>		<u>273,758</u>
<b>Capital and reserves</b>					
Called up share capital			130		130
Share premium account			215,990		215,990
Other reserves			10		10
Profit and loss reserves			<u>(208,608)</u>		<u>57,628</u>
<b>Total equity</b>			<u>7,522</u>		<u>273,758</u>

## **OEM GROUP (SCOTLAND) LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2020**

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

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 31 March 2021 and are signed on its behalf by:

***B PARK***

B Park  
**Director**

**Company Registration No. SC419539**

# **OEM GROUP (SCOTLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

#### **Company information**

OEM Group (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is Unit B Badentoy Avenue, Badentoy Park, Portlethan, Aberdeen, Scotland, AB12 4YB.

#### **1.1 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 £.

#### **1.2 Going concern**

The directors, having made due and careful enquiry, are 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.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the company to continue to operate as a going concern. The directors remain confident that the company can continue to operate as a going concern. This assessment is based on the recent contract wins and review of all business operations. This, along with government support measures that are available and support from other external lenders will allow the company to continue to meet its obligations as they fall due and operate as a going concern.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **1.3 Revenue**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# OEM GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2020 are the first financial statements of OEM Group (Scotland) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2018. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Plant and equipment	15% Reducing Balance
Fixtures and fittings	15% Reducing Balance
Motor vehicles	25% Reducing Balance
Office Equipment	33% Straight Line

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.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 profit or loss.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

# OEM GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from group companies. These are measured at amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

#### 1.9 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Retirement benefits

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 payment 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.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

#### 1.12 Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# OEM GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	20	20

### 3 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2019	221,692	21,918	45,638	77,108	366,356
Additions	42,283	1,254	5,179	-	48,716
Disposals	-	-	-	(16,995)	(16,995)
At 31 March 2020	263,975	23,172	50,817	60,113	398,077
<b>Depreciation and impairment</b>					
At 1 April 2019	80,042	11,302	27,259	19,162	137,765
Depreciation charged in the year	24,805	1,691	9,636	15,460	51,592
Eliminated in respect of disposals	-	-	-	(7,070)	(7,070)
At 31 March 2020	104,847	12,993	36,895	27,552	182,287
<b>Carrying amount</b>					
At 31 March 2020	159,128	10,179	13,922	32,561	215,790
At 31 March 2019	141,650	10,616	18,379	57,946	228,591

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and equipment	52,250	50,712
Motor vehicles	32,561	57,946
	84,811	108,658

### 4 Fixed asset investments

	2020 £	2019 £
Investments	-	775,000

# OEM GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 4 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investments £
<b>Cost or valuation</b>	
At 1 April 2019 & 31 March 2020	775,000
<b>Impairment</b>	
At 1 April 2019	-
Impairment losses	775,000
At 31 March 2020	775,000
<b>Carrying amount</b>	
At 31 March 2020	-
At 31 March 2019	775,000

### 5 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	342,904	357,109
Other debtors	248,563	306,854
Prepayments and accrued income	53,143	165,927
	644,610	829,890

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

	2020 £	2019 £
Bank loans and overdrafts	8 49,823	-
Hire purchase	9 26,162	52,252
Other borrowings	8 115,180	80,938
Trade creditors	305,529	421,708
Amounts owed to related parties	89,499	470,000
Corporation tax	20,966	45,531
Other taxation and social security	123,442	46,236
Other creditors	313,613	200,159
Accruals and deferred income	63,529	65,989
	1,107,743	1,382,816

# OEM GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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

(Continued)

Included in other creditors is an advance under an invoice factoring agreement of £ 282,613 (2019 - £ 188,706 ). Under the terms of the invoice factoring agreement with Easy Invoice Finance Limited, the trade debts of the company are assigned to the factors. The other borrowings are secured by personal guarantees from a director.

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

		2020 £	2019 £
Hire purchase	9	33,304	48,946
Other borrowings	8	551,345	440,271
		<u>584,649</u>	<u>489,217</u>

### 8 Loans and overdrafts

		2020 £	2019 £
Bank overdrafts		49,823	-
Other loans		666,525	521,209
		<u>716,348</u>	<u>521,209</u>
Payable within one year		165,003	80,938
Payable after one year		551,345	440,271
		<u>716,348</u>	<u>521,209</u>

### 9 Finance lease obligations

		2020 £	2019 £
Future minimum lease payments due under finance leases:			
Within one year		26,161	52,252
In two to five years		33,305	48,946
		<u>59,466</u>	<u>101,198</u>

## OEM GROUP (SCOTLAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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#### 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, as follows:

2020	2019
£	£
106,836	106,836
<u>106,836</u>	<u>106,836</u>

#### 11 Related party transactions

During the year, the company made advances to directors of £2,354, which resulted in amounts due to the company at the year end of £178,574 (2019 - £176,220). The loan is unsecured and interest free with no fixed repayment terms in place.

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.