

Company registration number SC419539 (Scotland)

OEM GROUP (SCOTLAND) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

OEM GROUP (SCOTLAND) LIMITED

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OEM GROUP (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	3		146,985		165,358
Tangible assets	4		4,784,901		5,257,598
			<u>4,931,886</u>		<u>5,422,956</u>
Current assets					
Stocks		898,837		898,837	
Debtors	5	1,330,721		917,119	
Cash at bank and in hand		34,363		25,687	
			<u>2,263,921</u>	<u>1,841,643</u>	
Creditors: amounts falling due within one year	6	(2,366,846)		(1,709,026)	
Net current (liabilities)/assets			<u>(102,925)</u>		<u>132,617</u>
Total assets less current liabilities			<u>4,828,961</u>		<u>5,555,573</u>
Creditors: amounts falling due after more than one year	7		(1,083,191)		(1,100,975)
Provisions for liabilities			<u>(762,064)</u>		<u>(833,449)</u>
Net assets			<u>2,983,706</u>		<u>3,621,149</u>
Capital and reserves					
Called up share capital			130		130
Share premium account			215,990		215,990
Revaluation reserve			3,132,606		3,465,847
Other reserves			10		10
Profit and loss reserves			<u>(365,030)</u>		<u>(60,828)</u>
Total equity			<u>2,983,706</u>		<u>3,621,149</u>

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

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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.

OEM GROUP (SCOTLAND) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023 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 2022

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, Portlethen, 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 company made a loss for the period and at the balance sheet date the company has net current liabilities of £1 02,925 (2021 Net Current Assets - £132,617). The company has invested resource and money into overseas markets with a longer term view of improving the profitability of the company. The company's finance providers have continued to support the company in the past 12 months. In the financial statements for the year to 31 March 2022, there has been historic intercompany debt written off, which has contributed to the losses in the year. The financial statements has therefore been prepared on a going concern basis.

Despite the losses in the year, the director remains confident that the company can continue to operate as a going concern. This assessment is based future contracts and projections showing the company will become profitable in the future.

The director, 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 director, therefore, has 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 director has 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.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Intellectual property	10% Straight Line
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1.6 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.

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.

Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date. Fair values are determined from market based evidence normally undertaken by external third party independent valuers, with input from the directors.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption.

1.7 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.

1.8 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.

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 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 cost and replacement cost, adjusted where applicable for any loss of service potential.

1.10 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.

1.11 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.

1.12 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.

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.13 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.

1.14 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.

2 Employees

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

	2022 Number	2021 Number
Total	23	22

3 Intangible fixed assets

	Intellectual property £
Cost	
At 1 April 2021 and 31 March 2022	183,731
Amortisation and impairment	
At 1 April 2021	18,373
Amortisation charged for the year	18,373
At 31 March 2022	36,746
Carrying amount	
At 31 March 2022	146,985
At 31 March 2021	165,358

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Office equipment	Motor vehicles	Rental assets	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	637,812	44,411	52,545	61,676	4,693,314	5,489,758
Additions	1,189	-	3,251	70,900	-	75,340
Disposals	-	-	-	(60,113)	(199,117)	(259,230)
At 31 March 2022	639,001	44,411	55,796	72,463	4,494,197	5,305,868
Depreciation and impairment						
At 1 April 2021	134,351	16,856	44,968	35,985	-	232,160
Depreciation charged in the year	75,668	4,133	6,376	15,137	234,667	335,981
Eliminated in respect of disposals	-	-	-	(37,218)	(9,956)	(47,174)
At 31 March 2022	210,019	20,989	51,344	13,904	224,711	520,967
Carrying amount						
At 31 March 2022	428,982	23,422	4,452	58,559	4,269,486	4,784,901
At 31 March 2021	503,461	27,555	7,577	25,691	4,693,314	5,257,598

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

	2022 £	2021 £
Plant and equipment	49,786	56,286
Motor vehicles	57,606	24,421
	107,392	80,707

5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	668,840	251,910
Other debtors	617,484	239,703
Prepayments and accrued income	44,397	425,506
	1,330,721	917,119

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Creditors: amounts falling due within one year

		2022 £	2021 £
Bank loans and overdrafts	8	62,043	17,960
Hire purchase	9	32,227	87,803
Other borrowings	8	46,881	52,610
Trade creditors		593,825	309,075
Amounts owed to related parties		-	21,630
Corporation tax		17,251	35,760
Other taxation and social security		703,761	365,609
Other creditors		491,734	508,830
Accruals and deferred income		419,124	309,749
		<u>2,366,846</u>	<u>1,709,026</u>

Included in other creditors is an advance under an invoice factoring agreement of £449,329 (2021 - £120,257). 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

		2022 £	2021 £
Bank loans and overdrafts	8	59,291	41,667
Hire purchase	9	48,787	44,836
Other borrowings	8	975,113	1,014,472
		<u>1,083,191</u>	<u>1,100,975</u>

8 Loans and overdrafts

	2022 £	2021 £
Bank loans	121,334	50,000
Bank overdrafts	-	9,627
Other loans	1,021,994	1,067,082
	<u>1,143,328</u>	<u>1,126,709</u>
Payable within one year	108,924	70,570
Payable after one year	1,034,404	1,056,139

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	32,227	87,803
In two to five years	48,787	44,836
	<u>81,014</u>	<u>132,639</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, as follows:

2022	2021
£	£
75,000	75,000

11 Related party transactions

During the year, the company made advances to directors of £1,101, which resulted in amounts due to the company at the year end of £179,091 (2021 - £177,990). 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.