

Company Registration No. SC419539 (Scotland)

OEM GROUP (SCOTLAND) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR**

OEM GROUP (SCOTLAND) LIMITED

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OEM GROUP (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	3		165,358		-
Tangible assets	4		5,257,598		215,790
			<u>5,422,956</u>		<u>215,790</u>
Current assets					
Stocks		898,837		858,837	
Debtors	5	917,119		644,610	
Cash at bank and in hand		25,687		1,149	
		<u>1,841,643</u>		<u>1,504,596</u>	
Creditors: amounts falling due within one year	6	(1,709,026)		(1,107,743)	
Net current assets			<u>132,617</u>		<u>396,853</u>
Total assets less current liabilities			<u>5,555,573</u>		<u>612,643</u>
Creditors: amounts falling due after more than one year	7		(1,100,975)		(584,649)
Provisions for liabilities			<u>(833,449)</u>		<u>(20,472)</u>
Net assets			<u><u>3,621,149</u></u>		<u><u>7,522</u></u>
Capital and reserves					
Called up share capital			130		130
Share premium account			215,990		215,990
Revaluation reserve			3,465,847		-
Other reserves			10		10
Profit and loss reserves			<u>(60,828)</u>		<u>(208,608)</u>
Total equity			<u><u>3,621,149</u></u>		<u><u>7,522</u></u>

OEM GROUP (SCOTLAND) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 2022 and are signed on its behalf by:

B PARK

Mr B Park
Director

Company Registration No. SC419539

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

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.

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 2021

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.

These financial statements for the year ended 31 March 2021 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 2019. 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.

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 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 2021

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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 2021

1 Accounting policies

(Continued)

1.12 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.

1.13 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:

	2021 Number	2020 Number
Total	22	20

3 Intangible fixed assets

	Intellectual property £
Cost	
At 1 April 2020	-
Additions	183,731
At 31 March 2021	183,731
Amortisation and impairment	
At 1 April 2020	-
Amortisation charged for the year	18,373
At 31 March 2021	18,373
Carrying amount	
At 31 March 2021	165,358
At 31 March 2020	-

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Rental assets	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	263,975	23,172	50,817	60,113	-	398,077
Additions	63,327	21,239	1,728	1,563	725,000	812,857
Revaluation	310,510	-	-	-	3,968,314	4,278,824
At 31 March 2021	637,812	44,411	52,545	61,676	4,693,314	5,489,758
Depreciation and impairment						
At 1 April 2020	104,847	12,993	36,895	27,552	-	182,287
Depreciation charged in the year	29,504	3,863	8,073	8,433	-	49,873
At 31 March 2021	134,351	16,856	44,968	35,985	-	232,160
Carrying amount						
At 31 March 2021	503,461	27,555	7,577	25,691	4,693,314	5,257,598
At 31 March 2020	159,128	10,179	13,922	32,561	-	215,790

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

	2021 £	2020 £
Plant and equipment	56,286	52,250
Motor vehicles	24,421	32,561
	80,707	84,811

During the year plant and equipment and rental assets were revalued to £5,331,126 by a combination of, an independent third party Valuer and the directors. This revaluation results in an unrealised gain reflected in Other Comprehensive Income of £4,278,824 with an associated deferred tax charge of £812,977.

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	251,910	342,904
Other debtors	239,703	248,563
Prepayments and accrued income	425,506	53,143
	917,119	644,610

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Creditors: amounts falling due within one year

		2021 £	2020 £
Bank loans and overdrafts	8	17,960	49,823
Hire purchase	9	87,803	26,162
Other borrowings	8	52,610	115,180
Trade creditors		309,075	305,529
Amounts owed to related parties		21,630	89,499
Corporation tax		35,760	20,966
Other taxation and social security		365,609	123,442
Other creditors		508,830	313,613
Accruals and deferred income		309,749	63,529
		<u>1,709,026</u>	<u>1,107,743</u>

Included in other creditors is an advance under an invoice factoring agreement of £120,257 (2020 - £282,613). 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

		2021 £	2020 £
Bank loans and overdrafts	8	41,667	-
Hire purchase	9	44,836	33,304
Other borrowings	8	1,014,472	551,345
		<u>1,100,975</u>	<u>584,649</u>

8 Loans and overdrafts

		2021 £	2020 £
Bank loans		50,000	-
Bank overdrafts		9,627	49,823
Other loans		1,067,082	666,525
		<u>1,126,709</u>	<u>716,348</u>
Payable within one year		70,570	165,003
Payable after one year		<u>1,056,139</u>	<u>551,345</u>

OEM GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	87,803	26,161
In two to five years	44,836	33,305
	<u>132,639</u>	<u>59,466</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:

2021	2020
£	£
<u>75,000</u>	<u>106,836</u>

11 Related party transactions

During the year, the company made advances to directors of £1,770, which resulted in amounts due to the company at the year end of £177,990 (2020 - £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.