

Company Registration No. SC504100 (Scotland)

MRDS Group Limited
unaudited financial statements
for the period ended 31 December 2020
Pages for filing with Registrar

MRDS Group Limited

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MRDS Group Limited

Balance sheet

as at 31 December 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		213,304		215,705
Tangible assets	4		110,955		179,612
			<u>324,259</u>		<u>395,317</u>
Current assets					
Stocks		504,678		792,754	
Debtors	5	796,389		1,293,271	
Cash at bank and in hand		14,849		368	
		<u>1,315,916</u>		<u>2,086,393</u>	
Creditors: amounts falling due within one year	6	<u>(1,671,967)</u>		<u>(2,377,179)</u>	
Net current liabilities			<u>(356,051)</u>		<u>(290,786)</u>
Total assets less current liabilities			<u>(31,792)</u>		<u>104,531</u>
Creditors: amounts falling due after more than one year	7		(344,249)		-
Provisions for liabilities			<u>(36,809)</u>		<u>(36,809)</u>
Net (liabilities)/assets			<u><u>(412,850)</u></u>		<u><u>67,722</u></u>
Capital and reserves					
Called up share capital			20		10
Share premium account			149,990		-
Profit and loss reserves			<u>(562,860)</u>		<u>67,712</u>
Total equity			<u><u>(412,850)</u></u>		<u><u>67,722</u></u>

MRDS Group Limited

Balance sheet (continued)

as at 31 December 2020

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 period ended 31 December 2020 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 period 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 12 November 2021 and are signed on its behalf by:

Mr D Garrick
Director

Company Registration No. SC504100

MRDS Group Limited

Statement of changes in equity

for the period ended 31 December 2020

	Share capital	Share premium	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 30 September 2019:				
Balance at 1 October 2018	10	-	315,244	315,254
Effect of change in accounting policy	-	-	(37,341)	(37,341)
As restated	10	-	277,903	277,913
Year ended 30 September 2019:				
Loss and total comprehensive income for the year	-	-	(210,191)	(210,191)
Balance at 30 September 2019	10	-	67,712	67,722
Period ended 31 December 2020:				
Loss and total comprehensive income for the period	-	-	(620,572)	(620,572)
Issue of share capital	10	149,990	-	150,000
Dividends	-	-	(10,000)	(10,000)
Balance at 31 December 2020	20	149,990	(562,860)	(412,850)

MRDS Group Limited

Notes to the financial statements

for the period ended 31 December 2020

1 Accounting policies

Company information

MRDS Group Limited is a private company limited by shares incorporated in Scotland. The registered office is Unit 15a Minto Drive, Altens Industrial Estate, Aberdeen, AB12 3LW.

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 £.

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.

1.2 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.

Covid 19 has interrupted the business but the directors are taking the appropriate steps to secure the future of the business.

1.3 Reporting period

The accounting period has been extended to 31 December 2020 to bring the accounting reference date in line with that of the other group companies. As such the prior year figures, which cover a 12 month period, are not entirely comparable with the current period of 15 months.

1.4 Turnover

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

1 Accounting policies (continued)

Revenue from contracts for the provision of professional 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.

1.5 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.

1.6 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:

Development costs	10% straight line
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Leasehold improvements	12.5% straight line
Plant and equipment	20% straight line
Fixtures and fittings	33.33% & 20% straight line
Computers	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Assets in the course of development are not depreciated.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

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

1.11 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 transaction 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.

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

1 Accounting policies (continued)

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 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.

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

1 Accounting policies (continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 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.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

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 period was:

	2020	2019
	Number	Number
Total	27	27
	==	==

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

3 Intangible fixed assets

	Development costs £
Cost	
At 1 October 2019 as restated	225,303
Additions	29,164
	<u>254,467</u>
At 31 December 2020	<u>254,467</u>
Amortisation and impairment	
At 1 October 2019 as restated	9,598
Amortisation charged for the period	31,565
	<u>41,163</u>
At 31 December 2020	<u>41,163</u>
Carrying amount	
At 31 December 2020	<u>213,304</u>
At 30 September 2019 as restated	<u>215,705</u>

4 Tangible fixed assets

	Leasehold improvements	Plant and Fixtures and equipment	Computers fittings	Total
	£	£	£	£
Cost				
At 1 October 2019 as restated	33,741	274,989	26,865	379,834
Additions	1,872	13,551	-	18,204
	<u>35,613</u>	<u>288,540</u>	<u>26,865</u>	<u>398,038</u>
At 31 December 2020	<u>35,613</u>	<u>288,540</u>	<u>26,865</u>	<u>398,038</u>
Depreciation and impairment				
At 1 October 2019 as restated	9,930	131,241	21,338	200,222
Depreciation charged in the period	5,331	71,081	4,998	86,861
	<u>15,261</u>	<u>202,322</u>	<u>26,336</u>	<u>287,083</u>
At 31 December 2020	<u>15,261</u>	<u>202,322</u>	<u>26,336</u>	<u>287,083</u>
Carrying amount				
At 31 December 2020	<u>20,352</u>	<u>86,218</u>	<u>529</u>	<u>110,955</u>
At 30 September 2019 as restated	<u>23,811</u>	<u>143,748</u>	<u>5,527</u>	<u>179,612</u>

The Royal Bank of Scotland holds a floating charge over all the property and undertakings of the company.

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	659,912	1,118,741
Other debtors	136,477	174,530
	<u>796,389</u>	<u>1,293,271</u>

6 Creditors: amounts falling due within one year

	2020	2019 as restated
	£	£
Bank loans and overdrafts	6,795	197,324
Trade creditors	512,202	1,433,954
Corporation tax	-	15,477
Other taxation and social security	371,057	138,524
Other creditors	781,913	591,900
	<u>1,671,967</u>	<u>2,377,179</u>

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	344,249	-
	<u>344,249</u>	<u>-</u>

8 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
	£	£
	<u>428,270</u>	<u>513,065</u>

MRDS Group Limited**Notes to the financial statements (continued)****for the period ended 31 December 2020****9 Directors' transactions**

Dividends totalling £10,000 (2019 - £0) were paid in the period in respect of shares held by the company's directors.

At the balance sheet date, there was a loan due to a director totalling £257,417 (2019 - £508,474). The loan is subject to interest at a market rate and is payable in August 2021.

The director resigned on 3 August 2020 and is no longer a shareholder.

10 Parent company

The parent company of MRDS Group Limited is Garrick Group Limited and its registered office address is Commercial House, 2 Rubislaw Terrace, Aberdeen, AB10 1XE.

11 Prior period adjustment**Reconciliation of changes in equity**

		1 October 2018 £	30 September 2019 £
	Notes		
Adjustments to prior period			
Reversal of development costs capitalised	1	-	(38,168)
Reversal of website costs capitalised	2	-	(31,160)
Stock adjustments	3	(37,341)	(106,706)
Holiday pay accrual	4	-	(56,003)
Total adjustments		(37,341)	(232,037)
Equity as previously reported		315,254	299,759
Equity as adjusted		277,913	67,722
Analysis of the effect upon equity			
Profit and loss reserves		(37,341)	(232,037)

Notes to reconciliation**1. Intangibles**

In 2019 costs had been capitalised in error amounting to £39,873. The amortisation charged on these costs amounted to £1,705. The net error of £38,168 has been corrected in the 2020 accounts.

2. Tangibles

Costs relating to the development of a website, which was used for advertising purposes, were capitalised in error. The costs amounted to £37,100 and the associated amortisation charge was £5,940. The net error of £31,160 has been rectified in the 2020 accounts.

MRDS Group Limited

Notes to the financial statements (continued)

for the period ended 31 December 2020

11 Prior period adjustment (continued)

3. Stock

During the year it came to light that the stock at 30 September 2018 and 30 September 2019 had been incorrectly valued. Stock was overstated by £37,341 in 2018 and £69,365 in 2019. These errors have been rectified in the 2020 accounts.

4. Accruals

The holiday pay accrual had not been applied to the 2019 accounts and an adjustment amounting to £56,003 has been posted to correct this.

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.