

Company Registration No. SC521163 (Scotland)

**SCM Bobbin Limited**

**Annual report and financial statements  
for the year ended 31 December 2021**



## SCM Bobbin Limited

### Company information

---

Directors	G G M Shand S G Rhodes N F A Clinton	(Appointed 24 May 2021) (Appointed 6 June 2022)
-----------	--	--

Secretary	Burness Paul LLP
-----------	------------------

Company number	SC521163
----------------	----------

Registered office	Union Plaza 1 Union Wynd Aberdeen AB10 1DQ
-------------------	---

Independent auditor	Ernst & Young LLP 4th Floor 2 Marischal Square Broad Street Aberdeen AB10 1BL
---------------------	--

---

**SCM Bobbin Limited**

**Contents**

---

	<b>Page</b>
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 16

---

## **SCM Bobbin Limited**

### **Directors' report**

**For the year ended 31 December 2021**

---

The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company continued to be that of property rental.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G G M Shand

K McKenzie

S G Rhodes

N F A Clinton

(Appointed 24 May 2021 and resigned 6 June 2022)

(Appointed 24 May 2021)

(Appointed 6 June 2022)

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Going concern**

As at 31 December 2021, the company has a net asset position amounting to £574,298 (2020 - £625,676) as disclosed in the financial statements.

The parent company has undertaken to provide financial support to the company in order to assist the company in meeting liabilities incurred in the normal course of its business as and when they fall due, for the going concern period to 31 August 2023.

The parent company directors have assessed profitability and cash flow forecasts, including significant but plausible downside sensitivities, applied to turnover and profitability for a range of issues, including the continuing impact of Covid-19. This assessment shows substantial headroom within the forecasts as regards the funding resources available to the Group. The parent company Directors believe that sufficient funds are available to allow the company and all subsidiaries to continue to meet our obligations for the going concern period to 31 August 2023 and that it therefore remains appropriate to prepare the financial statements on a going concern basis.

As part of the Group, the company has access to financial resources as required. We remain confident that our financial resources are strong, well balanced and suitably liquid. The Group has a positive cash at bank position of approximately £8m at the time of this report and the current year trading performance remains strong in terms of profitability and cash generation.

SCM Bobbin Limited

Directors' report (continued)

For the year ended 31 December 2021

---

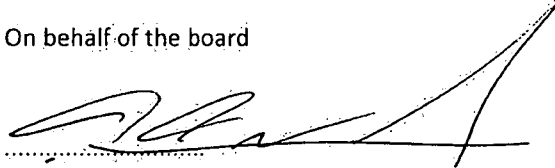
**Covid-19**

The global economy has been deeply impacted by the effects of the COVID-19 pandemic and related governmental actions. The group responded quickly taking a number of decisive actions prioritizing the health and safety of the Group's employees and communities in which the Group operates, implementing work-from-home processes, Stringent operational protocols and developing contingency plans to ensure continuity of the business throughout

**Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



G G M Shand  
Director

Date: 12/08/22

**SCM Bobbin Limited**

**Directors' responsibilities statement  
For the year ended 31 December 2021**

---

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **SCM Bobbin Limited**

### **Independent auditor's report**

**To the members of SCM Bobbin Limited**

---

#### **Opinion**

We have audited the financial statements of SCM Bobbin Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 August 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

**SCM Bobbin Limited**

**Independent auditor's report (continued)**

**To the members of SCM Bobbin Limited**

---

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Independent auditor's report (continued)**

**To the members of SCM Bobbin Limited**

---

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Explanation as to what extent the audit was considered capable of detecting irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SCM Bobbin Limited

**Independent auditor's report (continued)**  
**To the members of SCM Bobbin Limited**

---

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, GDPR and anti-bribery and corruption.
- We understood how SCM Bobbin Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company communicates its policies and procedures in these areas. We corroborated our enquiries through our review of the supporting documentation. We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry with management and considering whether any events or conditions during the audit might have indicated non-compliance with laws and regulations. Our procedures on journal entries testing includes a focus on journals meeting our defined risk criteria, including those posted by those charged with governance, based on our understanding of the business and enquiry with management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Jamie Dixon (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP

17 August 2022  
Date: .....

**Statutory Auditor**

Aberdeen

SCM Bobbin Limited

Statement of comprehensive income  
For the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	3	84,000	48,000
Administrative expenses		(84,000)	(48,000)
<b>Operating profit</b>		-	-
Other gains and losses	6	-	538,756
<b>Profit before taxation</b>		-	538,756
Tax on profit	7	(51,378)	(103,602)
<b>(Loss)/profit for the financial year</b>		<u>(51,378)</u>	<u>435,154</u>

There was no other comprehensive income for 2021 or 2020.

SCM Bobbin Limited

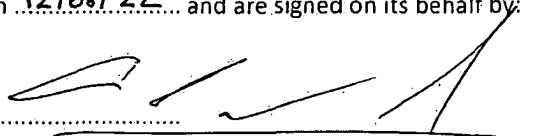
Balance sheet

As at 31 December 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Investment properties	8		1,400,000		1,400,000
<b>Current assets</b>					
<b>Creditors: amounts falling due within one year</b>	9	(636,243)		(636,243)	
<b>Net current liabilities</b>			(636,243)		(636,243)
<b>Total assets less current liabilities</b>			763,757		763,757
<b>Provisions for liabilities</b>					
Deferred tax liability	10	(189,459)		(138,081)	
			(189,459)		(138,081)
<b>Net assets</b>			574,298		625,676
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss reserves			574,297		625,675
<b>Total equity</b>			574,298		625,676

These financial statements have been prepared 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 12/08/22 and are signed on its behalf by:

  
G G M Shand  
Director

Company Registration No. SC521163

SCM Bobbin Limited

Statement of changes in equity  
For the year ended 31 December 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	1	190,521	190,522
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	435,154	435,154
Balance at 31 December 2020	1	625,675	625,676
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(51,378)	(51,378)
Balance at 31 December 2021	1	574,297	574,298

## 1 Accounting policies

### Company information

SCM Bobbin Limited is a private company limited by shares incorporated in Scotland. The registered office is Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ.

### 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 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 investment property at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Highland Fuels (Investments) Limited. These consolidated financial statements are available from its registered office, Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ.

**1 Accounting policies (continued)**

**1.2 Going concern**

As at 31 December 2021, the company has a net asset position amounting to £574,298 (2020 - £625,676) as disclosed in the financial statements.

The parent company has undertaken to provide financial support to the company in order to assist the company in meeting liabilities incurred in the normal course of its business as and when they fall due, for the going concern period to 31 August 2023.

The parent company directors have assessed profitability and cash flow forecasts, including significant but plausible downside sensitivities, applied to turnover and profitability for a range of issues, including the continuing impact of Covid-19. This assessment shows substantial headroom within the forecasts as regards the funding resources available to the Group. The parent company Directors believe that sufficient funds are available to allow the company and all subsidiaries to continue to meet our obligations for the going concern period to 31 August 2023 and that it therefore remains appropriate to prepare the financial statements on a going concern basis.

As part of the Group, the company has access to financial resources as required. We remain confident that our financial resources are strong, well balanced and suitably liquid. The Group has a positive cash at bank position of approximately £8m at the time of this report and the current year trading performance remains strong in terms of profitability and cash generation.

**1.3 Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added vat and other sales taxes.

**1.4 Investment properties**

Investment property is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

**1.5 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.

**1 Accounting policies (continued)**

***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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The following are the company's key sources of estimation uncertainty:

***Revaluation of investment properties***

The Company carries its investment properties at fair value, with changes in the fair value being recognised in the profit and loss account.

The group engaged Graham & Sibbald, Chartered Surveyors, to determine the fair value at 31 December 2020. The directors assessed the fair value of investment property at 31 December 2021 and deemed this to have remained at the same value as at 31 December 2020.

**3 Turnover and other revenue**

All turnover arose within the United Kingdom.

SCM Bobbin Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

**4 Auditor's remuneration**

The audit fee for the period was incurred by Highland Fuels Limited.

**5 Employees**

The company has no employees other than the directors who did not receive any remuneration (2020 - £nil).

**6 Other gains and losses**

	2021 £	2020 £
Changes in the fair value of investment properties	-	538,756

**7 Taxation**

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,908	99,546
Changes in tax rates	45,470	4,056
<b>Total deferred tax</b>	<b>51,378</b>	<b>103,602</b>

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	-	538,756
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	-	102,364
Tax effect of expenses that are not deductible	4,715	(4,273)
Effect of change in corporation tax rate	45,470	4,056
Group relief	1,193	1,455
<b>Taxation charge for the year</b>	<b>51,378</b>	<b>103,602</b>

SCM Bobbin Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

**8 Investment property**

	2021 £
Fair value	
At 1 January 2021 and 31 December 2021	1,400,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2020 by Graham & Sibbald, Chartered Surveyors, who are not connected with the company. The valuation was carried out in accordance with the Royal Institution of Chartered Surveyors' valuation guidelines and IFRS 13. The directors have assessed the fair value at 31 December 2021 to be the same as at 31 December 2020.

**9 Creditors: amounts falling due within one year**

	2021 £	2020 £
Amounts owed to group undertakings	636,243	636,243

Amounts owed to group undertakings are repayable on demand and are interest free.

**10 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	189,459	138,081
<b>Movements in the year:</b>		2021 £
Liability at 1 January 2021		138,081
Charge to profit or loss		51,378
Liability at 31 December 2021		189,459

SCM Bobbin Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

11 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary share of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12 Ultimate controlling party

The immediate parent company is SCM Property Holdings Limited, a company registered in Scotland.

The ultimate parent company undertaking and controlling party is Highland Fuels (Investments) Limited, a company registered in Scotland.

The ultimate controlling party is G M M Shand.

Highland Fuels Limited is the parent undertaking of the smallest group, of which SCM Bobbin Limited is a member, and for which group the financial statements are drawn up.

Highland Fuels (Investments) Limited is the parent undertaking of the largest group, of which SCM Bobbin Limited is a member, and for which group financial statements are drawn up.