

Company Registration No. SC182820 (Scotland)

MIROS SCOTLAND LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



MIROS SCOTLAND LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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.

The director is 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. He is 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.

MIROS SCOTLAND LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		21,582		29,321
Investments	4		2,100		2,100
			<u>23,682</u>		<u>31,421</u>
Current assets					
Stocks		24,795		22,556	
Debtors	5	275,086		501,655	
Cash at bank and in hand		130,017		152,443	
		<u>429,898</u>		<u>676,654</u>	
Creditors: amounts falling due within one year	6	<u>(730,344)</u>		<u>(665,982)</u>	
Net current (liabilities)/assets			<u>(300,446)</u>		<u>10,672</u>
Total assets less current liabilities			<u>(276,764)</u>		<u>42,093</u>
Capital and reserves					
Called up share capital	7	181,159		181,159	
Share premium account		22,440		22,440	
Profit and loss reserves		<u>(480,363)</u>		<u>(161,506)</u>	
Total equity			<u>(276,764)</u>		<u>42,093</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

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 27.09.19 and are signed on its behalf by:



 A Brekke
 Director

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Miros Scotland Limited is a private company limited by shares incorporated in Scotland. The registered office is Aberlan House, Woodburn Road, Blackburn Industrial Estate, Aberdeen, AB21 0RX.

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, and under the historical cost convention.

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 £.

Miros Scotland Limited has a subsidiary, Muir Matheson Overseas Limited, however as the company is dormant no group accounts have been prepared.

Going concern

The company incurred a loss for the year after suffering challenging market conditions at the start of the financial year. The main factor for this was the protracted oil and gas industry downturn however results did improve in the last few months of the year, with the win of new contracts, as the oil and gas market showed some signs of recovery. At the year end the balance sheet position showed negative equity and net current liabilities. This was mainly from loans due to the parent company and there is no bank or external debt.

Post year end the management accounts to the end of August 2019 show significant increases to turnover, already ahead of 2018 turnover levels, and the company are reporting a return to profitability. The management accounts show the company has returned to a solvent balance sheet position with a reduction in parent company loans. The company are relocating to leased premises in Westhill in late September 2019. The new premises will provide the company with a modern platform, closer to their customer base, enabling the company to seek growth and provide some cost efficiencies.

The company have prepared forecasts for 12 months from the date of the balance sheet sign off date which continue to show the company in profit. Management expect the company to be working capital positive throughout the forecast period. Further to this the company have the support of the group in the form of manageable repayments, based on excess working capital, of previous intercompany working capital loans. The parent company would also provide further working capital but this is not expected based on the high level of contracts wins, current pipeline and forecasted cashflow.

From above there are no material uncertainties that may cast doubt about the ability of the company to continue as a going concern which have been identified by the directors, and the financial statements have therefore been prepared on a going concern basis.

Adjustments to corresponding amounts

The company has reconsidered the presentation of rental income that had previously been shown within administration costs. The income in the prior period, totalling £50,000, has been reallocated to other operating income.

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

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.

Revenue from the sale of goods is recognised on the dispatch of goods or customer acceptance of more complex systems.

Revenue in relation to maintenance and monitoring contracts is spread evenly over the term of the contract.

In respect of long term contracts, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts 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 contracted 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 are recoverable.

Tangible fixed assets

Tangible fixed assets are measured at cost, 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	10% straight line
Plant and machinery etc	15 - 33% 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.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, or the asset as if it were at the age and condition expected at the end of its useful life.

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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of the asset is estimated to be less than its carrying amount, an impairment loss is recognised immediately in profit or loss.

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Stocks

Stock is 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.

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.

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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 trade and other creditors and loans from fellow group companies 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.

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

Equity instruments

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

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss.

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2017 - 17).

3 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	32,316	308,669	340,985
Additions	-	2,828	2,828
At 31 December 2018	32,316	311,497	343,813
Depreciation and impairment			
At 1 January 2018	27,183	284,481	311,664
Depreciation charged in the year	648	9,919	10,567
At 31 December 2018	27,831	294,400	322,231
Carrying amount			
At 31 December 2018	4,485	17,097	21,582
At 31 December 2017	5,133	24,188	29,321

4 Fixed asset investments

	2018 £	2017 £
Investments	2,100	2,100

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 & 31 December 2018	2,100
Carrying amount	
At 31 December 2018	2,100
At 31 December 2017	2,100

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	200,934	226,307
Amounts owed by group undertakings	11,265	155,245
Other debtors	62,887	120,103
	<u>275,086</u>	<u>501,655</u>

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Payments received on account	96,455	-
Trade creditors	110,118	149,649
Amounts due to group undertakings	388,463	343,190
Other taxation and social security	13,966	39,471
Other creditors	25,448	-
Accruals and deferred income	95,894	133,672
	<u>730,344</u>	<u>665,982</u>

7 Called up share capital

	2018	2017
	£	£
Ordinary share capital Issued and fully paid 181,159 Ordinary shares of £1 each	181,159	181,159
	<u>181,159</u>	<u>181,159</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Cameron Bruce.

The auditor was RSM UK Audit LLP.

MIROS SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Financial commitments, guarantees and contingent liabilities

During a previous year the company received notice, from the former owner of the company, of their intention to make a claim regarding a dispute around the respective parties ongoing rights under the sale and purchase agreement, including Intellectual Property Rights. An estimate of the financial effect of this claim, and the timing of any cash outflows are unable to be determined due to the uncertainties surrounding the validity of the claim. If in due course, a financial impact arises, no reimbursement would be available to the company.

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, which fall due as follows:

	2018 £	2017 £
Within one year	80,000	80,000
Between one and five years	73,333	153,333
	<u>153,333</u>	<u>233,333</u>

11 Related party transactions

During the year, Miros Scotland Limited made sales of £140,866 (2017 - £27,073) and recharged expenses of £nil (2017 - £112,781) to a fellow subsidiary. In addition, Miros Scotland Limited made purchases of £23,977 (2017 - £152,598) from a fellow subsidiary. At the year end, Miros Scotland Limited were due a net amount of £6,253 from a fellow subsidiary (At 31.12.18 - Debtor of £6,637 (2017 - £139,372) and Creditor of £384 (2017 - £116,996)).

During the year, Miros Scotland Limited made sales of £nil (2017 - £34,000) to another fellow subsidiary. At the year end, £nil (2017 - £nil) was due from another fellow subsidiary.

12 Parent company

The company is a fully owned subsidiary of Miros AS, a company registered in Norway. The controlling party of Miros AS is Aircontact Group AS who own 98.72% of the ordinary share capital. The registered address of Aircontact Group AS is Karenslyst Alle 49, 0279 Oslo, Norway. Aircontact Group AS prepare consolidated accounts which include the results of Miros Scotland Limited. The financial statements are publicly available from the Regnskapsregisteret, which is a part of Brønnøysundregisterene, www.brreg.no.

13 Controlling party

The ultimate parent company, Stenersen Holding AS, was under the control of Mr Johan Stenersen throughout the current and previous year. Mr Stenersen is the ultimate controlling party of Miros Scotland Limited.