

**MIROS SCOTLAND LIMITED (FORMERLY MUIR
MATHESON LIMITED)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

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MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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.

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		29,321		43,355
Investments	5		2,100		2,100
			<u>31,421</u>		<u>45,455</u>
Current assets					
Stocks		22,556		22,248	
Debtors	6	501,655		821,898	
Cash at bank and in hand		152,443		133,230	
		<u>676,654</u>		<u>977,376</u>	
Creditors: amounts falling due within one year	7	(665,982)		(825,085)	
Net current assets			<u>10,672</u>		<u>152,291</u>
Total assets less current liabilities			<u>42,093</u>		<u>197,746</u>
Capital and reserves					
Called up share capital	8	181,159		181,159	
Share premium account		22,440		22,440	
Profit and loss reserves		(161,506)		(5,853)	
Total equity			<u>42,093</u>		<u>197,746</u>

The directors of the company have 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 12th April 2018 and are signed on its behalf by:



D McMillan
Director

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Miros Scotland Limited (formerly Muir Matheson 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. The Company changed its name from Muir Matheson Limited on 10 November 2017.

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 company incurred a loss for the year as a result of the protracted downturn in the oil and gas industry.

The company have prepared forecasts for 12 months from the date of the balance sheet sign off date which show a return to profitably. This return has been assisted by improved market conditions post year end, greater innovation within the group and collaboration with industry partners. The company does remain reliant on the support of the group for small levels of short term working capital and the immediate parent company has confirmed their continued support of the company for at least 12 months from the balance sheet signing date.

From above there are no material uncertainties that may cast 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.

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.

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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	15% straight line
Fixtures, fittings and equipment	15% - 33% straight line
Motor vehicles	25% 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.

Stock

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.

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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, other than those held at fair value through profit and loss, 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.

Financial liabilities and equity instruments

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.

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.

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, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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.

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2016 - 19).

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Directors' remuneration

	2017 £	2016 £
Remuneration paid to directors	112,051	104,947

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 January 2017	32,316	307,648	339,964
Additions	-	1,021	1,021
At 31 December 2017	32,316	308,669	340,985
Depreciation and impairment			
At 1 January 2017	26,535	270,074	296,609
Depreciation charged in the year	648	14,407	15,055
At 31 December 2017	27,183	284,481	311,664
Carrying amount			
At 31 December 2017	5,133	24,188	29,321
At 31 December 2016	5,781	37,574	43,355

5 Fixed asset investments

	2017 £	2016 £
Investments	2,100	2,100

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	2,100
Carrying amount	
At 31 December 2017	2,100
At 31 December 2016	2,100

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	226,307	318,270
Amounts owed by group undertakings	155,245	255,320
Other debtors	120,103	248,308
	<u>501,655</u>	<u>821,898</u>

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	149,649	147,442
Amounts due to group undertakings	343,190	476,329
Other taxation and social security	39,471	19,860
Other creditors	133,672	181,454
	<u>665,982</u>	<u>825,085</u>

8 Called up share capital

	2017 £	2016 £
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>

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 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.

10 Financial commitments, guarantees and contingent liabilities

On 22 December 2016 the company provided a guarantee to a customer, through Tryg Garanti, in respect of security for any loss suffered due to non-fulfilment of contract obligations for an on-going project. The guarantee is for £23,681 and will automatically expire on 28 February 2018.

During the 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.

11 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:

	2017 £	2016 £
Within one year	80,000	80,000
Between one and five years	153,333	233,333
	<u>233,333</u>	<u>313,333</u>

12 Related party transactions

During the year, Miros Scotland Limited made sales of £27,073 (2016 - £nil) and recharged expenses of £112,781 (2016 - £84,000) to Muir Matheson Aviation Limited. In addition, Miros Scotland Limited made purchases of £152,598 (2016 - £222,026) from Muir Matheson Aviation Limited. At the year end, Miros Scotland Limited were due a net amount of £22,736 from Muir Matheson Aviation Limited (At 31.12.17 - Debtor of £139,372 (2016 - £246,085) and Creditor of £116,996 (£266,431)).

During the year, Miros Scotland Limited made sales of £34,000 (2016 - £106,040) to MM Aviation AS. At the year end, £nil (2016 - £9,235) was due from MM Aviation AS.

MIROS SCOTLAND LIMITED (FORMERLY MUIR MATHESON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Parent company

The company is a fully owned subsidiary of Miro AS, a company registered in Norway. The controlling party of Miro AS is Aircontact Group AS (previously known as Aircontactgruppen AS) who from 1 December 2017 own 100% (2016 - 62.5%) 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 Miro Scotland Limited. The financial statements are publicly available from the Regnskapsregisteret, which is a part of Brønnøysundregisterene, www.brreg.no.

14 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 Miro Scotland Limited.