

OBAN SKIP HIRE LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

OBAN SKIP HIRE LTD.

COMPANY INFORMATION

Directors	J MacLachlan S MacLachlan
Company secretary	S MacLachlan
Registered number	SC271480
Registered office	Torran Gorm Industrial Estate Oban Argyll PA34 4PL
Accountants	EQ Accountants LLP Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		2020 £	2019 £
Fixed assets			
Tangible assets	5	479,654	479,840
		<u>479,654</u>	<u>479,840</u>
Current assets			
Stocks		5,000	5,000
Debtors: amounts falling due within one year	6	339,648	294,644
Cash at bank and in hand		422	-
		<u>345,070</u>	<u>299,644</u>
Creditors: amounts falling due within one year	7	(431,125)	(408,398)
Net current liabilities		<u>(86,055)</u>	<u>(108,754)</u>
Total assets less current liabilities		<u>393,599</u>	<u>371,086</u>
Creditors: amounts falling due after more than one year	8	(114,405)	(78,467)
Provisions for liabilities			
Deferred tax		(47,970)	(43,050)
		<u>(47,970)</u>	<u>(43,050)</u>
Accruals and deferred income	10	(52,026)	(59,410)
Net assets excluding pension asset		<u>179,198</u>	<u>190,159</u>
Net assets		<u>179,198</u>	<u>190,159</u>
Capital and reserves			
Called up share capital	11	5,000	30,000
Profit and loss account		174,198	160,159
		<u>179,198</u>	<u>190,159</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 June 2021.

J MacLachlan
Director

S MacLachlan
Director

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. General information

Oban Skip Hire Ltd is a private company, limited by shares and incorporated in Scotland; registration number SC271480. The address of the registered office is C/O John Maclachlan Ltd, Torran Gorm Industrial Estate, Oban, Argyll, PA34 4PL.

The financial statements are presented in Sterling which is the functional currency of the Company and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

During the year, the business was in receipt of the following revenue grants in relation to the COVID-19 pandemic:

Small Business Grants Fund (SBGF) - £10,000

Coronavirus Job Retention Scheme (CJRS) - £42,247.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-
	5% - 25% straight line
Motor vehicles	-
	25% straight line and 14.29% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2019 - 9).

4. Intangible assets

	Goodwill £
Cost	
At 1 July 2019	40,000
At 30 June 2020	40,000
Amortisation	
At 1 July 2019	40,000
At 30 June 2020	40,000
Net book value	
At 30 June 2020	-
At 30 June 2019	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

5. Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost or valuation			
At 1 July 2019	881,202	266,595	1,147,797
Additions	48,190	27,002	75,192
At 30 June 2020	<u>929,392</u>	<u>293,597</u>	<u>1,222,989</u>
Depreciation			
At 1 July 2019	545,035	122,922	667,957
Charge for the year on owned assets	39,427	35,951	75,378
At 30 June 2020	<u>584,462</u>	<u>158,873</u>	<u>743,335</u>
Net book value			
At 30 June 2020	<u>344,930</u>	<u>134,724</u>	<u>479,654</u>
<i>At 30 June 2019</i>	<u>336,167</u>	<u>143,673</u>	<u>479,840</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Debtors

	2020 £	2019 £
Trade debtors	91,419	100,894
Other debtors	248,229	189,092
Prepayments and accrued income	-	4,658
	<u>339,648</u>	<u>294,644</u>

Included in Other debtors is £25,000 (2019 - £25,000) relating to amounts recoverable on contract.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	23,583
Trade creditors	26,471	61,331
Corporation tax	6,277	-
Other taxation and social security	48,770	21,024
Obligations under finance lease and hire purchase contracts	88,658	66,588
Other creditors	258,574	233,772
Accruals and deferred income	2,375	2,100
	<u>431,125</u>	<u>408,398</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

Bank overdraft - £0 (2019 - £23,583)

Hire purchase agreements - £88,658 (2019 - £66,588)

A bond and floating charge is held by the Bank of Scotland.

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	50,000	-
Net obligations under finance leases and hire purchase contracts	64,405	78,467
	<u>114,405</u>	<u>78,467</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

Hire purchases agreements - £64,405 (2019 - £78,467)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due 2-5 years		
Bank loans	40,000	-
	<u>40,000</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	10,000	-
	<u>10,000</u>	<u>-</u>
	<u><u>50,000</u></u>	<u><u>-</u></u>

10. Government grants

	2020 £	2019 £
Grants	<u>52,026</u>	<u>59,410</u>

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
5,000 (2019 - 5,000) Ordinary shares of £1.00 each	5,000	5,000
0 (2019 - 25,000) Preference shares of £1.00 each	-	25,000
	<u>5,000</u>	<u>30,000</u>

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.