

**Company Registration No. SC382192 (Scotland)**

**OPERATIONAL EXCELLENCE (OPEX) GROUP LTD**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**PAGES FOR FILING WITH REGISTRAR**

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

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# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	3		127,088		11,065
Tangible assets	4		461,908		122,902
Investments	5		1		1
			<u>588,997</u>		<u>133,968</u>
<b>Current assets</b>					
Debtors	7	685,405		679,233	
Cash at bank and in hand		326,594		65,739	
		<u>1,011,999</u>		<u>744,972</u>	
<b>Creditors: amounts falling due within one year</b>	8	(312,105)		(359,805)	
<b>Net current assets</b>			<u>699,894</u>		<u>385,167</u>
<b>Total assets less current liabilities</b>			<u>1,288,891</u>		<u>519,135</u>
<b>Provisions for liabilities</b>			<u>(82,900)</u>		<u>(20,892)</u>
<b>Net assets</b>			<u>1,205,991</u>		<u>498,243</u>
<b>Capital and reserves</b>					
Called up share capital	9		200,965		199,470
Capital redemption reserve			260		260
Profit and loss reserves			1,004,766		298,513
<b>Total equity</b>			<u>1,205,991</u>		<u>498,243</u>

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 year ended 31 December 2019 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 year 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.

## **OPERATIONAL EXCELLENCE (OPEX) GROUP LTD**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2019**

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The financial statements were approved by the board of directors and authorised for issue on 18 May 2020 and are signed on its behalf by:

**J R F BENNETT**

Mr J R F Bennett  
**Director**

**Company Registration No. SC382192**

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Operational Excellence (OPEX) Group Ltd is a private company limited by shares incorporated in Scotland. The registered office is 18 Carden Place, Aberdeen, United Kingdom, AB10 1UQ.

#### 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.

#### 1.3 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 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.

#### 1.4 Research and development expenditure (intangibles)

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised as an intangible asset to the extent that the technical, commercial and financial feasibility can be demonstrated. The development costs which are capitalised at cost are reviewed annually by the directors to ensure fair value is accurate. No amortisation is applied if there is not a decrease in value.

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### 1.5 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:

Property improvements	15 years straight line
Fixtures and fittings	15% reducing balance
Computers	3 years 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.

#### 1.6 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.

#### 1.7 Cash at bank and in hand

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.

#### 1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties. These are measured at amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

#### 1.9 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.

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 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. 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.

#### **1.10 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.

#### **1.11 Retirement benefits**

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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### 1.12 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.

#### 1.13 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 are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2018 - 23).

### 3 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2019	11,065
Additions	116,023
	<hr/>
At 31 December 2019	127,088
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2019 and 31 December 2019	-
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	127,088
	<hr/> <hr/>
At 31 December 2018	11,065
	<hr/> <hr/>

Intangible assets comprises of software developed internally. The fair value of £127,088 has been arrived at on a cost basis. As there is an annual maintenance charge payable, the directors confirm the software has not been impaired. The directors consider the value held in the accounts is an accurate fair value for the software.

# OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Tangible fixed assets

	Property improvements £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2019	-	1,840	425,548	427,388
Additions	118,859	84,225	185,068	388,152
At 31 December 2019	118,859	86,065	610,616	815,540
<b>Depreciation and impairment</b>				
At 1 January 2019	-	708	303,778	304,486
Depreciation charged in the year	3,474	7,090	38,582	49,146
At 31 December 2019	3,474	7,798	342,360	353,632
<b>Carrying amount</b>				
At 31 December 2019	115,385	78,267	268,256	461,908
At 31 December 2018	-	1,132	121,770	122,902

### 5 Fixed asset investments

	2019 £	2018 £
Investments	1	1

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	1
<b>Carrying amount</b>	
At 31 December 2019	1
At 31 December 2018	1

## OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
OPEX GRP Limited	Scotland	Management consultancy	Ordinary	100.00	0

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
OPEX GRP Limited	1	-

#### 7 Debtors

Amounts falling due within one year:	2019	2018
	£	£
Trade debtors	408,899	583,365
Other debtors	276,506	95,868
	<u>685,405</u>	<u>679,233</u>

#### 8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	113,731	50,863
Amounts owed to group undertakings	1	1
Corporation tax	86,290	78,840
Other taxation and social security	52,167	79,079
Other creditors	59,916	151,022
	<u>312,105</u>	<u>359,805</u>

## OPERATIONAL EXCELLENCE (OPEX) GROUP LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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<b>9</b>	<b>Called up share capital</b>		
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital</b>		
	<b>Issued and fully paid</b>		
	3,850 (2018: 3,150) A Ordinary shares of 10p each	385	315
	5,800 B Ordinary shares of 10p each	580	580
		<u>965</u>	<u>895</u>
	<b>Preference share capital</b>		
	<b>Issued and fully paid</b>		
	2,000,000 (2018: 1,985,745) Preference shares of 10p each	200,000	198,575
		<u>200,965</u>	<u>199,470</u>
	<b>Total equity share capital</b>	<u>200,965</u>	<u>199,470</u>

During the year 700 A Ordinary shares of 10p each and 14,250 Preference shares of 10p were issued at par.

The A Ordinary shares and B Ordinary shares rank pari passu.

#### 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, as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total lease commitments	3,508,650	88,002
	<u>3,508,650</u>	<u>88,002</u>

The lease is for 15 years to June 2034 and the commitment reflects the full value remaining due on the lease.

## **OPERATIONAL EXCELLENCE (OPEX) GROUP LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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#### **11 Related party transactions**

During the year the company was charged expenses totalling £238,942 (2018 - £237,643) from a company controlled by one of the directors. The balance due from this related party at 31 December 2019 was £1,404 (2018 - £3,172 due to the related party).

There are no set repayment terms, nor is interest charged on the above outstanding balances.

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.