

OGM (SW) LIMITED

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023



OGM (SW) LIMITED
REGISTERED NUMBER: 11059480

BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	2,104,813	1,937,581
		<u>2,104,813</u>	<u>1,937,581</u>
Current assets			
Stocks	6	651,899	612,738
Debtors: amounts falling due within one year	7	1,036,664	989,996
Cash at bank and in hand	8	159,165	569
		<u>1,847,728</u>	<u>1,603,303</u>
Creditors: amounts falling due within one year	9	(3,467,464)	(3,478,600)
Net current liabilities		<u>(1,619,736)</u>	<u>(1,875,297)</u>
Total assets less current liabilities		<u>485,077</u>	<u>62,284</u>
Creditors: amounts falling due after more than one year	10	(545,741)	(39,931)
Provisions for liabilities			
Deferred tax	12	(239,600)	(176,000)
		<u>(239,600)</u>	<u>(176,000)</u>
Net liabilities		<u>(300,264)</u>	<u>(153,647)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(300,364)	(153,747)
		<u>(300,264)</u>	<u>(153,647)</u>

OGM (SW) LIMITED
REGISTERED NUMBER: 11059480

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2023

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 by:

DocuSigned by:

Paul Wightman

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P Wightman
Director

Date: 15-02-24

The notes on pages 3 to 14 form part of these financial statements.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

1. General information

OGM (SW) Limited is a private Company limited by share capital, incorporated in England and Wales, registration number 11059480. The Company's principal place of business is Unit 6-7 West Road Penallta Industrial Estate, Hengoed, CF82 7SW.

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 Company's functional and presentational currency is GBP.

In preparing the financial statements, a rounding difference of £5 has been used, in accordance with Company policy and in line with the previous year.

The following principal accounting policies have been applied:

2.2 Going concern

The board of directors is of the opinion that the company is a going concern, as such the accounts have been prepared on the going concern basis.

The board of directors have a reasonable expectation that the company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. The key method for assessing going concern is through the business planning process which considers profitability, liquidity and solvency. The business planning process considers the company's business activities, together with factors likely to affect its future development, successful performance and position, and key risks in the current economic climate.

Should the going concern basis of preparation of the financial statements be found to be inappropriate should such support be withdrawn by the financiers or there was insufficient working capital for the company to continue as a going concern adjustments may have to be made to reduce the value of assets to their recoverable amount, to provide further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities respectively, both adjustments having a consequent effect on the profit and loss account. It is not practical to quantify these potential adjustments which are not included in these financial statements.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)**2.3 Revenue**

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 tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue 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.

2.4 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:

Short-term leasehold property	- Over the period of the lease
Plant and machinery	- 6.66% - 33% Straight line
Motor vehicles	- 20% - 25% Straight line
Fixtures and fittings	- 20% Straight line
Office equipment	- 20% 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.

OGM (SW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.5 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 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.

Financial assets that are measured at cost and amortised cost 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 Income and Retained Earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 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 profit or loss 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.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Defined contribution pension plan

The Company contributes to 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

OGM (SW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.15 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 balance sheet 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 balance sheet date.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key judgments are as follows:-

Property, plant and equipment:

Property, plant and equipment are depreciated over their useful economic life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account.

4. Employees

The average monthly number of employees, including directors, during the year was 47 (2022 - 40).

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery etc £	Total £
Cost			
At 1 June 2022	464,140	2,419,427	2,883,567
Additions	35,479	470,356	505,835
At 31 May 2023	<u>499,619</u>	<u>2,889,783</u>	<u>3,389,402</u>
Depreciation			
At 1 June 2022	49,781	896,206	945,987
Charge for the year on owned assets	58,469	280,133	338,602
At 31 May 2023	<u>108,250</u>	<u>1,176,339</u>	<u>1,284,589</u>
Net book value			
At 31 May 2023	<u>391,369</u>	<u>1,713,444</u>	<u>2,104,813</u>
At 31 May 2022	<u>414,359</u>	<u>1,523,222</u>	<u>1,937,581</u>

6. Stocks

	2023 £	2022 £
Raw materials and consumables	339,545	406,866
Work in progress (goods to be sold)	-	1,660
Finished goods and goods for resale	312,354	204,212
	<u>651,899</u>	<u>612,738</u>

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

7. Debtors

	2023	2022
	£	£
Trade debtors	949,784	880,343
Other debtors	674	19,723
Prepayments and accrued income	86,206	89,930
	<u>1,036,664</u>	<u>989,996</u>

8. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	159,165	569
	<u>159,165</u>	<u>569</u>

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

9. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans	122,217	63,926
Trade creditors	376,994	386,813
Amounts owed to group undertakings	2,511,702	2,551,443
Other taxation and social security	87,330	39,337
Other creditors	5,000	194,272
Accruals and deferred income	364,221	242,809
	<u>3,467,464</u>	<u>3,478,600</u>

The loan balance included under amounts owed to group undertakings is interest free and there is no fixed date of repayment.

The following liabilities were secured:

	2023	2022
	£	£
Chattels mortgage	122,217	63,926
Invoice finance	-	185,223
	<u>122,217</u>	<u>249,149</u>

Details of security provided:

Invoice finance loan is secured with a legal charge over the trade receivables of the Company.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

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

	2023 £	2022 £
Bank loans	545,741	39,931
	<u>545,741</u>	<u>39,931</u>

The following liabilities were secured:

	2023 £	2022 £
Chattels mortgage	545,741	39,930
	<u>545,741</u>	<u>39,930</u>

Details of security provided:

Chattels mortgage loan is secured with a legal charge over specific assets of the Company.

HSBC UK Bank PLC, hold a debenture over the Company, including a fixed charge over all book and other debts, both present and future; together with a floating charge over all assets and undertakings, both present and future.

The above security also includes an unlimited Multilateral Guarantee dated 12 May 2022, and given by OGM (SW) Limited, Terinex Flexibles LTD (formerly QC Packaging Films Limited), Clear Sky Catering Consumables Limited, Owen Greenings & Mumford (Holdings) Limited, and Owen Greenings & Mumford Limited, of which Group set-off is held.

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

11. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year		
Bank loans	122,217	63,926
	<u>122,217</u>	<u>63,926</u>
Amounts falling due 1-2 years		
Bank loans	87,606	39,930
	<u>87,606</u>	<u>39,930</u>
Amounts falling due 2-5 years		
Bank loans	297,472	-
	<u>297,472</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	160,661	-
	<u>160,661</u>	<u>-</u>
	<u>667,956</u>	<u>103,856</u>

OGM (SW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

12. Deferred taxation

	2023 £
At beginning of year	(176,000)
Charged to profit or loss	(63,600)
At end of year	(239,600)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(239,600)	(176,000)
	<u>(239,600)</u>	<u>(176,000)</u>

13. Pension commitments

The Company contributes to a defined benefit pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £38,469 (2022: £34,949). At the balance sheet date the company owed £5,001 (2022: £Nil) to the scheme.

14. Related party transactions

The Company have taken advantage of the exemption under FRS102 section 33 paragraph 1a and therefore have not reported the related party transactions or balances of Companies within the group.

15. Controlling party

The parent undertaking is Owen Greenings & Mumford Limited. The ultimate parent undertaking is Owen Greenings & Mumford (Holdings) Ltd. There is no ultimate controlling party.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 May 2023 was unqualified.

The audit report was signed on 16-02-24 by Mr Matthew Wyatt (Senior Statutory Auditor) on behalf of Wellers.