

Company Registration No. 01087941 (England and Wales)

**A & J SCOTT LTD.**  
**ABBREVIATED ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

WEDNESDAY



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COMPANIES HOUSE

# **A & J SCOTT LTD.**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5
Abbreviated profit and loss account	6
Abbreviated balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the abbreviated accounts	10 - 19

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# **A & J SCOTT LTD.**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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The directors present the strategic report and financial statements for the Year ended 31 December 2014.

### **Review of the business**

The company had an excellent year which has been in line with the market trend with increased demand for home-grown timber. A new sawmill has been purchased which should enable the company to continue to grow and meet the requirements of its customers.

Turnover increased from £21,817,228 to £25,735,075 and the Gross Profit from £3,508,369 to £4,830,278.

### **Financial Instruments**

#### **Liquidity Risk**

The company aims to mitigate liquidity risk by managing cash generated from operations.

#### **Foreign currency risk**

If the company enters into a material contract in a foreign currency it enters a future contract to reduce the company's exposure to currency volatility.

#### **Credit Risk**

The company has external debtors, however the vast majority are insured as factored debtors.

### **Financial Risk Managements Objective and Policies**

The company finance its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings.

The management's objectives are to:

- Retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- Match the repayment schedule of any external borrowings with the expected future cash flows expected to arise from the company's trading activities.

All of the company's surplus funds are invested in sterling bank accounts and all of its borrowings are obtained from standard bank loans, invoice discounting and hire purchase/finance lease agreements.

### **Key Performance Indicators**

The company monitors the trading performance using a range of key performance indicators as follows:

- Gross Margin as a % of Sales
- Net Profit as a % of Sales
- Inventory Turnover
- Accounts receivable number of days
- Accounts payable number of days
- Return on Equity
- Current Ratio
- Working Capital
- Debt to Equity ratio

# **A & J SCOTT LTD.**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Market value of Land and Buildings**

In the opinion of the directors the market value of land and buildings is not materially in excess of that shown in the financial statements when considered in relation to its use in the company's trade.

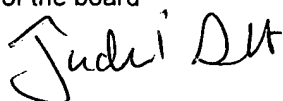
### **Research and Development**

The company embarked on an ongoing Research and Development Programme to improve and develop the productivity and throughput of production facilities. The results of which have seen the company maintain its profitability and competitiveness market.

### **Future Developments**

The directors continuously research and investigate new sawmilling technology to evaluate short-term and long-term investment plans. The directors believe that the company is in a good financial positions and they remain confident that the company will continue to grow but not necessarily at the rate achieved over the past two years.

By order of the board



Mrs J Scott  
**Secretary**  
11 May 2015

# **A & J SCOTT LTD.**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2014***

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The directors present their report and financial statements for the Year ended 31 December 2014.

#### **Principal activities**

The principal activity of the company continued to be that of sawmilling and timber merchants.

#### **Results and dividends**

The results for the Year are set out on page 6.

An ordinary dividend was paid amounting to £199,524. and a dividend of £50,000 was provided for.

#### **Financial risk management objectives and policies**

This section is now set out in the company's Strategic Report on page 1 of these financial statements.

#### **Directors**

The following directors have held office since 1 January 2014:

Mr A Scott  
Mr R Scott  
Miss R Bertram  
Mr R Brewes  
Mr I Barfoot  
Mr N Campbell

#### **Auditors**

In accordance with the company's articles, a resolution proposing the Quantum Accountancy Services Limited be reappointed as auditors of the company will be put as a General Meeting.

# **A & J SCOTT LTD.**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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:

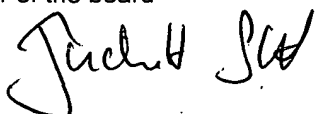
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Mrs J Scott

**Secretary**

11 May 2015

# **A & J SCOTT LTD.**

## **INDEPENDENT AUDITORS' REPORT TO A & J SCOTT LTD.**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of A & J Scott Ltd. for the Year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Mrs Sheila Heron (Senior Statutory Auditor)**  
**for and on behalf of Quantum Accountancy Services**  
**Limited**

11 May 2015

**Chartered Accountants**  
**Statutory Auditor**

Unit 14  
Witney Way  
Boldon Business Park  
Boldon  
Tyne & Wear  
United Kingdom  
NE35 9PE

# A & J SCOTT LTD.

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December 2014 £	31 December 2013 £
	Notes		
Turnover		25,735,075	21,817,228
Other operating income less cost of sales		(20,860,161)	(18,277,966)
Administrative expenses		(2,065,261)	(1,834,515)
Operating profit	2	2,809,653	1,704,747
Other interest receivable and similar income		2,448	2,142
Interest payable and similar charges	4	(41,036)	(59,757)
Profit on ordinary activities before taxation		2,771,065	1,647,132
Tax on profit on ordinary activities	5	(579,016)	(274,088)
Profit for the Year	16	2,192,049	1,373,044

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# A & J SCOTT LTD.

## ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	7		7,792,547		4,592,538
<b>Current assets</b>					
Stocks	8	1,321,017		1,078,325	
Debtors	9	3,863,958		3,550,805	
Cash at bank and in hand		2,019,811		1,157,764	
		<u>7,204,786</u>		<u>5,786,894</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(5,443,485)</u>		<u>(4,202,306)</u>	
<b>Net current assets</b>			1,761,301		1,584,588
<b>Total assets less current liabilities</b>			<u>9,553,848</u>		<u>6,177,126</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(1,398,068)		(214,299)
<b>Provisions for liabilities</b>	12		(506,621)		(414,971)
<b>Accruals and deferred income</b>	13		(200,712)		(41,936)
			<u>7,448,447</u>		<u>5,505,920</u>
<b>Capital and reserves</b>					
Called up share capital	15		18,451		18,451
Profit and loss account	16		7,429,996		5,487,469
<b>Shareholders' funds</b>	17		<u>7,448,447</u>		<u>5,505,920</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 11 May 2015

Mr A Scott  
Director



Mr R Scott  
Director



Company Registration No. 01087941

# A & J SCOTT LTD.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December 2014 £	31 December 2013 £
<b>Net cash inflow from operating activities</b>	3,835,397	2,460,798
<b>Returns on investments and servicing of finance</b>		
Interest received	2,448	2,142
Interest paid	(41,036)	(59,757)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(38,588)	(57,615)
<b>Taxation</b>	(502,633)	(272,506)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(3,996,004)	(614,623)
Receipts from sales of tangible assets	76,929	79,614
<b>Net cash outflow for capital expenditure</b>	(3,919,075)	(535,009)
<b>Equity dividends paid</b>	(249,524)	(199,524)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(874,423)	1,396,144
<b>Financing</b>		
Preference shares repaid	-	(123,006)
New long term bank loan	-	265,000
Other new short term loans	264,000	-
Government grant received	183,076	-
Repayment of long term bank loan	(32,816)	(182,629)
Repayment of other short term loans	(150,264)	(46,727)
Capital element of hire purchase contracts	1,472,474	(201,217)
<b>(Decrease)/increase in debt</b>	1,736,470	(165,573)
<b>Net cash inflow/(outflow) from financing</b>	1,736,470	(288,579)
<b>Increase in cash in the Year</b>	862,047	1,107,565

# A & J SCOTT LTD.

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

<b>1 Reconciliation of operating profit to net cash outflow from operating activities</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	2,809,653	1,704,747
Depreciation of tangible assets	728,207	782,116
Profit on disposal of tangible assets	(9,139)	(17,008)
Increase in stocks	(242,692)	(119,350)
Increase in debtors	(313,153)	(673,211)
Increase in creditors within one year	886,821	803,735
Movement on grant provision	(24,300)	(20,231)
<b>Net cash inflow from operating activities</b>	<b>3,835,397</b>	<b>2,460,798</b>

<b>2 Analysis of net (debt)/funds</b>	<b>1 January 2014</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 December 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash at bank and in hand	1,157,764	862,047	-	2,019,811
Bank deposits	-	-	-	-
Debt:				
Finance leases	(236,709)	(1,472,474)	-	(1,709,183)
Debts falling due within one year	(123,800)	(113,736)	-	(237,536)
Debts falling due after one year	(133,264)	32,816	-	(100,448)
	(493,773)	(1,553,394)	-	(2,047,167)
<b>Net funds/(debt)</b>	<b>663,991</b>	<b>(691,347)</b>	<b>-</b>	<b>(27,356)</b>

<b>3 Reconciliation of net cash flow to movement in net (debt)/funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Increase in cash in the Year	862,047	1,107,565
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(1,553,394)	288,580
<b>Movement in net (debt)/funds in the Year</b>	<b>(691,347)</b>	<b>1,396,145</b>
Opening net funds/(debt)	663,991	(732,154)
<b>Closing net (debt)/funds</b>	<b>(27,356)</b>	<b>663,991</b>

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	10% on cost
Plant and machinery	at variable rates on reducing balance
Fixtures, fittings & equipment	at variable rates on reducing balance
Motor vehicles	25% on reducing balance

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the Year they are payable.

#### 1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1 Accounting policies

(Continued)

#### 1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 1.11 Financial Instruments

##### Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provision for any doubtful debts. Bad debts are written off when identified.

##### Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

##### Interest bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when the liabilities are derecognised or impaired, as well as through the amortisation process.

##### Derivative financial instruments

The company uses a number of derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and currency fluctuation risk. Such derivative financial instruments are always stated at their fair value. For derivatives that do not qualify for hedge accounting (see below) any gains or losses arising from changes in fair value are taken directly to the profit and loss account. Embedded derivatives are separated from their host contract and are recorded immediately in the profit and loss account when their economic characteristics and risks are closely related to the host contract and the hybrid instrument itself is not measured at fair value.

##### Hedging

The company designates certain risks being hedged into three types; fair value hedges, cash flow hedges and hedge of a net investment in a foreign entity. In relation to fair value hedges, which meet the conditions for special hedge accounting, any gain or loss from re-measuring the hedging instrument is recognised immediately in the profit and loss account. In relation to cash flow hedges, designed to hedge the exposure to variability in future cash flows relating to firm commitments or highly profitable forecasted transaction, the portion of the gain or loss on the hedging instrument, which meets the conditions for special hedge accounting, is recognised directly in equity. Deferred gains and losses are released to the profit and loss account when the forecasted transactions occur. An ineffective portion of the hedge is always recognised immediately in the profit and loss account. The hedge of a net investment in a foreign entity is accounted for as a cash flow hedge with foreign exchange differences recognised directly in equity. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercises, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the profit and loss account.

## A & J SCOTT LTD.

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>2</b>	<b>Operating profit</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	728,207	782,116
	Loss on foreign exchange transactions	9,283	-
	Operating lease rentals		
	- Plant and machinery	119,902	101,316
	Auditors' remuneration (including expenses and benefits in kind)	11,100	13,900
	and after crediting:		
	Government grants	24,300	20,230
	Profit on disposal of tangible assets	(9,139)	(17,008)
		<u>          </u>	<u>          </u>

The company also paid the auditors £630 (2013: £900) for accounts assistance and advice and Tait Walker £7,830 for corporate tax assistance.

<b>3</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank interest	2,278	2,142
	Other interest	170	-
		<u>          </u>	<u>          </u>
		2,448	2,142
		<u>          </u>	<u>          </u>

<b>4</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	2	65
	On other loans wholly repayable within five years	22,981	39,366
	Hire purchase interest	16,393	16,020
	On amounts payable to factors	1,660	4,306
		<u>          </u>	<u>          </u>
		41,036	59,757
		<u>          </u>	<u>          </u>

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5	Taxation	2014	2013
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	487,366	390,468
	Adjustment for prior years	-	(38,248)
	<b>Total current tax</b>	<u>487,366</u>	<u>352,220</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	91,650	(13,814)
	Effects of changes in tax rates and laws	-	(64,318)
		<u>91,650</u>	<u>(78,132)</u>
		<u>579,016</u>	<u>274,088</u>
	<b>Factors affecting the tax charge for the period</b>		
	Profit on ordinary activities before taxation	<u>2,771,065</u>	<u>1,647,132</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	<u>595,502</u>	<u>382,958</u>
	Effects of:		
	Non deductible expenses	6,430	2,394
	Depreciation add back	(130,630)	11,296
	Adjustments to previous periods	-	(38,248)
	Other tax adjustments	16,064	(6,180)
		<u>(108,136)</u>	<u>(30,738)</u>
	<b>Current tax charge for the period</b>	<u>487,366</u>	<u>352,220</u>
6	Dividends	2014	2013
		£	£
	Ordinary final paid	<u>249,524</u>	<u>199,524</u>

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2014	2,125,576	11,301,365	379,623	281,362	14,087,926
Additions	80,000	3,685,924	103,132	126,948	3,996,004
Disposals	(108,500)	(304,929)	-	(89,720)	(503,149)
At 31 December 2014	2,097,076	14,682,360	482,755	318,590	17,580,781
<b>Depreciation</b>					
At 1 January 2014	1,370,645	7,652,886	332,842	139,013	9,495,386
On disposals	(108,500)	(280,886)	-	(45,973)	(435,359)
Charge for the Year	77,391	602,396	16,239	32,181	728,207
At 31 December 2014	1,339,536	7,974,396	349,081	125,221	9,788,234
<b>Net book value</b>					
At 31 December 2014	757,540	6,707,964	133,674	193,369	7,792,547
At 31 December 2013	754,931	3,648,477	46,781	142,349	4,592,538

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
<b>Net book values</b>	
At 31 December 2014	2,355,823
At 31 December 2013	380,237
<b>Depreciation charge for the Year</b>	
At 31 December 2014	61,879
At 31 December 2013	74,698

### 8 Stocks

	2014 £	2013 £
Finished goods and goods for resale	1,321,017	1,078,325



# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9	Debtors	2014 £	2013 £
	Trade debtors	3,140,378	3,252,575
	Other debtors	244,655	-
	Prepayments and accrued income	478,925	298,230
		<u>3,863,958</u>	<u>3,550,805</u>

Trade debtors include factored balances of £2,355,823 (2013: £2,716,323).

10	Creditors: amounts falling due within one year	2014 £	2013 £
	Bank loans and overdrafts	237,536	123,800
	Net obligations under hire purchase contracts	411,563	155,674
	Trade creditors	3,230,786	2,957,373
	Corporation tax	337,366	352,633
	Other taxes and social security costs	318,638	377,586
	Other creditors	2,743	1,950
	Accruals and deferred income	904,853	233,290
		<u>5,443,485</u>	<u>4,202,306</u>

Bank loans and overdrafts are secured by a debenture of National Westminster Bank Plc, a first legal charge over the property and its respective associated assets, and all future security which the bank may from time to time hold for the Borrower's liability.

Net obligations under finance and hire purchase contracts are secured in the assets financed by the hire purchase agreements.

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	100,448	133,264
Net obligations under hire purchase contracts	1,297,620	81,035
	<u>1,398,068</u>	<u>214,299</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	337,984	257,064
	<u>337,984</u>	<u>257,064</u>
Included in current liabilities	(237,536)	(123,800)
	<u>100,448</u>	<u>133,264</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	237,536	123,800
In more than two years but not more than five years	100,448	133,264
	<u>237,536</u>	<u>123,800</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	411,563	155,674
Repayable between one and five years	1,297,616	81,035
	<u>1,709,179</u>	<u>236,709</u>
Included in liabilities falling due within one year	(411,563)	(155,674)
	<u>1,297,616</u>	<u>81,035</u>

Bank loans and overdrafts are secured by a debenture of National Westminster Bank plc, a first legal charge over the property and its respective associated assets, and all future security which the bank may from time to time hold for the Borrower's liability.

Net obligations under finance and hire purchase contracts are secured in the assets financed by the hire purchase agreements.

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2014	414,971
Profit and loss account	91,650
	<u>506,621</u>
Balance at 31 December 2014	<u>506,621</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	385,066	419,066
Other timing differences	121,555	(4,095)
	<u>506,621</u>	<u>414,971</u>

### 13 Accruals and deferred income

	Government grants £
Balance at 1 January 2014	41,936
Grants received during the period	183,076
Amortisation in the period	(24,300)
	<u>200,712</u>
Balance at 31 December 2014	<u>200,712</u>

### 14 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2014 £	2013 £
Contributions payable by the company for the Year	<u>218,779</u>	<u>38,143</u>

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>15</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	18,451 Ordinary of £1 each	18,451	18,451
<b>16</b>	<b>Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
			<b>£</b>
	Balance at 1 January 2014		5,487,471
	Profit for the period		2,192,049
	Dividends paid		(249,524)
	Balance at 31 December 2014		7,429,996
<b>17</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Profit for the financial Year	2,192,049	1,373,044
	Dividends	(249,524)	(199,524)
	Net addition to shareholders' funds	1,942,525	1,173,520
	Opening shareholders' funds	5,505,920	4,332,400
	Closing shareholders' funds	7,448,447	5,505,920
<b>18</b>	<b>Contingent liabilities</b>		
	There were no contingent liabilities at the year end.		
<b>19</b>	<b>Financial commitments</b>		
	At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:		
		<b>Other</b>	<b>2013</b>
		<b>2014</b>	<b>£</b>
		<b>£</b>	
	Operating leases which expire:		
	Between two and five years	123,086	123,640

# A & J SCOTT LTD.

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

20	Directors' remuneration	2014 £	2013 £
	Remuneration for qualifying services	221,989	209,755
	Company pension contributions to defined contribution schemes	204,439	37,643
		<u>426,428</u>	<u>247,398</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2013 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>67,005</u>	<u>64,554</u>
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### 21 Employees

#### Number of employees

The average monthly number of employees (including directors) during the Year was:

	2014 Number	2013 Number
Production staff	122	110
Administrative	27	30
	<u>149</u>	<u>140</u>

Employment costs	2014 £	2013 £
Wages and salaries	3,417,690	3,120,975
Social security costs	317,671	290,921
Other pension costs	218,779	38,143
	<u>3,954,140</u>	<u>3,450,039</u>

### 22 Related party relationships and transactions

During the year £25,100 (2013: £25,100) was paid to the A & J Scott Limited Directors' Retirement Benefit Scheme in respect of rent.

During the year A & J Scott Ltd purchased timber to the value of £0 (2013: £85,122) from Felton Park which is owned by Mrs J Scott. This was considered to be at arms length.