Registration number: 01087941

A. & J. SCOTT LIMITED

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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A. & J. Scott Limited

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A. & J. Scott Limited

Company Information

Directors	Ms R Bertram Mr A Scott Mr RA Scott
Company secretary	Mrs J Scott
Registered office	Station Sawmills Wooperton Alnwick Northumberland NE66 4XW
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

A. & J. Scott Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity
The principal activity of the company is that of sawmilling and timber merchants.

Fair review of the business
Despite the past two years having unprecedented affects on the global economy, we are very pleased to report that the profit before tax for the financial year ended 31 December 2021 was £9,779,234 compared to £4,153,776 in 2020, an increase of 135.43%.

Whilst 2020 was an exceptional year for A & J Scott Limited where the company saw increased demand for home-grown timber, 2021 has seen turnover soar from £36,048,762 in 2020 to £45,987,326 in 2021. An increase of 21.6%.

Gross Profit amounted to £14,627,126.

Profit after tax was £7,661,146.

The directors consider the results for 2021 to be very satisfactory and the increase in Shareholders' Funds from £17,635,615 to £24,701,157 a solid base for further investment in the future.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Gross profit margin	%	31.81	23.49
Net profit margin	%	21.38	10.80
EBITDA	£m	11.28	5.35
Inventory turnover days	Days	29.00	29.00

Principal risks and uncertainties
The company finances its operations mainly through retained profits, with some asset finance borrowings.

The directors' objectives in relation to its finances is to manage the working capital, namely debtors, creditors, and bank balances and to meet day to day obligations as and when they fall due.

They aim to maximise returns on surplus funds whilst minimising any exposure to fluctuating interest rates on borrowings in the pursuit of new investments or capital expenditure programmes. The company operates a credit insurance policy to insure against bad debt.

Management focus on Key Performance Indicators encompassing manufacturing efficiencies and cost control through Cost Centre Management.

Strategic Report for the Year Ended 31 December 2021 (continued)

Impact of the Russian invasion of Ukraine
While we are appalled by the Russian invasion of Ukraine, we must consider the impact on our business of trade sanctions on Russia and Belarus. Although the volume of timber directly imported to the UK from these countries is relatively small, at around 5% of UK timber imports, they are major suppliers into Europe. This will be likely to restrict supplies in Europe and increase pressure on supplies from Scandinavian, Baltic and other European countries. In turn this is likely to strengthen demand for home grown timber products within the UK.
The other potential impacts of this war are expected to be on the cost of energy and materials, directly for our business, and indirectly any related reduction in consumer confidence and spending. We expect to mitigate the risk of increasing energy prices going forward with the installation of a new solar panel system on our site later this year.

Our intention is to enhance trading and long-term profitability. A & J Scott Limited are a family-owned business, who believe re-investing profits back into the business ensuring we retain efficiency and maintain competitiveness in the market.

Health & Safety Risk
The company continues to invest in new technologies, which fit with our overall thinking and approach towards Health & Safety.

We continually work to prevent accidents and work-related ill health, striving to provide safe working conditions and adequate welfare. We take the safety of our staff, customers, contractors and visitors very seriously and review and update all Risk Assessments accordingly.

The company focuses on important development and training in line with the continuous improvement of the Health & Safety culture throughout the company which is communicated at all levels of the business.

Environmental Risk
Environmental and social responsibilities sit very high in our approach to how we operate. We take nature's contribution to our industry very seriously, which is why we only use timber from well-managed forests that operate robust and sustainable programmes of replanting and renewal.

The company holds FSC-C005537 certification. We are committed to continue to approach all our business activities by giving serious consideration to ecological, social, and sustainable factors.

Through achieving, maintaining and exceeding the qualifying criteria for memberships and accreditations, including: CONFOR (Confederation of Forest industries UK); FSC (Forestry Stewardship Council) and the Soil Association, we can guarantee our customers that our products and sawn timber are manufactured from home-grown softwood or hardwood which has been grown and harvested in accordance with their environmental care and sustainability policies.

Strategic Report for the Year Ended 31 December 2021 (continued)

The company holds an environmental permit (Permit Number: EPN/15/004) to Operate a Timber Treatment installation under Schedule 1, Section 6.6 Timber activities Part A (2) (a) for the preservation of wood and wood products with a chemical with a production capacity exceeding 75m3 per day other than exclusively treat against sapstain. We are regulated by the Pollution Prevention and Control Act 1999 Environmental Permitting (England and Wales) Regulations 2016 (as amended) and are committed to ensuring the protection of the environment.

The company entered into a Climate Change Agreement in 2014, and through investment in more energy efficient plant and equipment, we are ahead of our targets to reduce our carbon footprint. As we move forward through 2022, we expect the installation of a solar panel system to reduce our electricity intake by up to 50%.

Impact of COVID-19 virus
The company continues to monitor the ongoing developments and has a business continuity plan in place to ensure we minimise the impact on both our customers and employees. The board will continue to adhere to government guidance and will review the needs of all our stakeholders.

Development and Performance
The directors are optimistic for the future performance of the business.

The company has re-invested profits made during recent years in new plant and machinery mainly from cash generated. This allows us to further establish ourselves as one of the market leaders in sawmilling of quality Homegrown British Timber.

2021 saw the installation of a new Log Sorting Line which doubles the capacity of the existing line. This investment has greatly increased our capacity to grade logs.

Plans are already in place the second phase of investment in upgrading one of our main sawmills in 2022 with modern plant and machinery aimed at increasing our recovery rates from logs.

We continue to increase the manufacture of vegetable storage boxes and motorway soundproof panels at our additional site in Chirnside within the Scottish Borders.

The solar panel installation expected later in 2022 will help mitigate rising energy costs going forward.

The Scott family shareholders are firm believers in re-investing profits back into the business to fund modern state of the art sawmilling equipment to ensure we improve efficiency and maintain competitiveness to enable us to best support our increasing customer base.

The Board consider, both individually and collectively, that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172 (a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2021.

Engagement with employees
We communicate with our employees through a variety of channels including workplace forums and newsletters. Our HR department has an open door policy so employees can discuss any issues they may have confidentially, whether relating to work or personal matters. We have various notice boards sited throughout the organisation and we carry out where appropriate, documented toolbox talks.

Strategic Report for the Year Ended 31 December 2021 (continued)

Engagement with suppliers, customers and other relationships

The strength of our relationships with customers and suppliers has been central to our success in recent years. The vast majority of our sales come from repeat business with a diverse range of key accounts, and the close relationships we have developed enable us to understand their needs and anticipate future trends in demand. This understanding of our customers and markets drives our investment in product development and new production capacity.

We also work closely with our suppliers to anticipate changes in the market and new technologies. Additionally, we seek to ensure that they operate ethically, taking due consideration of FSC sustainable forestry regulations, minimisation of environmental impacts and the safety and well-being of their workforce. By working closely with and setting high standards for our suppliers, we reduce operating and reputational risk and promote the long term success of the company.

Approved and authorised by the Board on 29/4/22 and signed on its behalf by:

.....

Mrs J Scott
Company secretary

A. & J. Scott Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the company
The directors who held office during the year were as follows:

Ms R Bertram
Mr A Scott
Mr RA Scott
Mr I Barfoot (resigned 31 August 2021)

Financial instruments

Objectives and policies

The company finances its activities with a combination of finance leases and hire purchase contracts, cash and short term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk
Price risk is the risk that changes raw material prices have the potential to impact on the profitability of the company. The company does not consider that it is materially exposed to price risk and monitors prices on a regular basis.

Credit risk
Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Company policies are aimed at minimising such losses and require customers to satisfy credit worthiness procedures prior to acceptance of contracts. The company also utilises insurance policies to protect against non-payment of debt. The company does not consider that it is materially exposed to credit risk.

Cash flow and liquidity risk
Cash flow and liquidity risk is the risk that a company's available cash will not be sufficient to meet its financial obligations. The company actively manages its cash flow position including collection of debts and timely payment of creditors. This, coupled with the strong cash position of the Company is deemed sufficient to minimise the Company's exposure to cash flow and liquidity risk.

Foreign Exchange risk
Foreign exchange risk refers to the potential for loss from exposure to foreign exchange rate fluctuations. Company policies including regular monitoring of exchange rates and forward currency purchases, are aimed at minimising this risk. The company does not consider that it is materially exposed to foreign exchange risk.

Directors' Report for the Year Ended 31 December 2021 (continued)

Environmental report
We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. A. & J. Scott Limited supports these recommendations and are committed to disclosing the relevant information which can be found below.

Governance
The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, this is the company's first time adoption of disclosures on energy and carbon.

The table below represents the company's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December 2021.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company.

A. & J. Scott Ltd managements role in assessing and managing climate related risks and opportunities is largely based on selecting, wherever practicable, new and energy efficient plant, equipment and best available techniques and technologies. This includes, but is not limited to, selecting, and installing more energy efficient equipment in any new development or when replacing any plant and equipment generally.

Strategy
A. & J. Scott Ltd strategy is to look forward and plan for the future. An important part of the of the strategy is to always consider our actions and to conduct ourselves in a way that considers the protection of the planet for future generations to enjoy, whilst protecting the operations of the business. By considering what we do today we plan for a better tomorrow.

Risk management
A. & J. Scott Ltd has energy saving plans and during 2022 the company will install alternative energy sources such as the planned solar farm on adjacent land acquired and solar panels on roofs. The company also plans to continue to collect data via individual metering of energy in production areas and further invest in improved technology for future data collection which in turn will allow for a more in-depth analysis of energy consumption and will enable us to target potential areas of improvement. By continuing to invest in fully electric and hybrid vehicles and installing an appropriate infrastructure for charging of said vehicles. By replacing diesel plant with LPG. In summary, by always assessing and planning to replace any items with, wherever possible, more energy efficient alternatives for protection of the planet and future development of the business all in the short, medium, and long-term planning of the business.

Metrics and targets

The metrics used to collect this data are:

Purchased Electricity – Data collected from electricity used.

DERV – Fuel purchased data

Red Diesel (Gas Oil) – Fuel purchased data

LPG – Purchase history data

Summary of scope 1 (direct) greenhouse gas emissions for the year ended 31 December 2021

- Diesel fuel (DERV) used for company road vehicles in litres
- Diesel fuel (Gas Oil) used for internal mobile plant and static plant in litres
- LPG used for FLT's delivered in Kgs

Summary of Scope 2 (indirect) greenhouse gas emissions for the year ended 31 December 2021

- Purchased electricity measured in kWh's

Summary of scope 3 (other indirect) greenhouse gas emissions for the year ended 31 December 2021

- Scope 3 not considered, no private vehicle usage for business purposes.

Energy consumption used to calculate emissions:

Type	Qty & Unit
Electricity Wooperton (Scope 2)	6,061,468 kWh
Electricity Chirnside (Scope 2)	149,008 kWh
Total Electricity (Scope 2)	6,210,476 kWh
DERV Wooperton (Scope 1)	218,271 litres
Red Diesel (Gas Oil) Wooperton (Scope 1)	309,097 litres
Red Diesel (Gas Oil) Chirnside (Scope 1)	6996 litres
LPG (Scope 1)	3042 kgs

Emissions:

Type	2021 – tCO2e
Electricity	1318.7
DERV	548.37
Red Diesel (Gas oil)	871.96
LPG	8.94
Total energy consumption (tCO2e)	2748

Intensity ratio:

	2021
Total Production output volume (m3)	166,760
Total emissions (tCO2e)	2748
Tonnes of CO2e per 1,000 m3	16.48

Directors' Report for the Year Ended 31 December 2021 (continued)

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 position and they remain confident that the company will continue to grow.

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 in the market.

Going concern
The company meets its day to day working capital requirements through cash generated from operations.

At the time of signing these financial statements there has been no unmanageable impact on the company's main income streams, suppliers or employees as a direct result of the COVID-19 pandemic. The company's workforce key-worker status, has allowed them to work throughout the pandemic and, due to the sector in which the company's core activities are in, trade and operations have continued uninterrupted.

The company's forecasts and projections for the next twelve months show that it should be able to continue in operational existence for that period and operate within the facilities currently available to it, taking into account reasonable possible changes in trading performance. At the year end the financial statements the company showed significant cash balances.

Having considered the current cash forecasts of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of a least twelve months from the date of signing these financial statements.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised by the Board on 29/4/22. and signed on its behalf by:

.....
Mrs J Scott
Company secretary

A. & J. Scott Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

A. & J. Scott Limited

Independent Auditor's Report to the Members of A. & J. Scott Limited

Opinion

We have audited the financial statements of A. & J. Scott Limited (the 'company') for the year ended 31 December 2021, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of A. & J. Scott Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities (set out on page 10), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report to the Members of A. & J. Scott Limited (continued)

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including; the Department of Environment, Forest Stewardship Council and ISO9001;
- Reviewed the audit report received from the Soil Association in relation to the Forest Stewardship Council accreditation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the calculation of stock standard costing; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law; and compliance with the Department of Environment, Forest Stewardship Council, ISO9001 & the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 29.4.2022

MHA Tait Walker is a trading name of Tait Walker LLP.

A. & J. Scott Limited

Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	45,987,326	36,048,762
Cost of sales		(31,360,200)	(27,580,481)
Gross profit		14,627,126	8,468,281
Administrative expenses		(4,879,357)	(4,768,123)
Other operating income	4	86,596	199,552
Operating profit	5	9,834,365	3,899,710
Gain on financial assets at fair value through profit and loss account		-	260,000
Other interest receivable and similar income	6	556	8,995
Interest payable and similar expenses	7	(55,687)	(14,929)
Profit before tax		9,779,234	4,153,776
Taxation	11	(2,118,088)	(816,898)
Profit for the financial year		7,661,146	3,336,878

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 18 to 33 form an integral part of these financial statements.

A. & J. Scott Limited

(Registration number: 01087941)
Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	15,044,014	9,081,885
Investment property	13	1,210,100	580,000
		16,254,114	9,661,885
Current assets			
Stocks	14	2,962,535	2,038,817
Debtors	15	5,964,542	4,938,431
Cash at bank and in hand		9,142,830	6,537,090
		18,069,907	13,514,338
Creditors: Amounts falling due within one year	17	(7,302,418)	(4,592,109)
Net current assets		10,767,489	8,922,229
Total assets less current liabilities		27,021,603	18,584,114
Creditors: Amounts falling due after more than one year	17	(275,173)	(180,886)
Provisions for liabilities	19	(2,045,273)	(767,613)
Net assets		24,701,157	17,635,615
Capital and reserves			
Called up share capital	21	18,451	18,451
Revaluation reserve	22	349,120	349,120
Profit and loss account	22	24,333,586	17,268,044
Total equity		24,701,157	17,635,615

Approved and authorised by the Board on 29/4/22 and signed on its behalf by:

.....
Mr A Scott
Director

.....
Mr RA Scott
Director

The notes on pages 18 to 33 form an integral part of these financial statements.

A. & J. Scott Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2020	18,451	89,120	14,381,166	14,488,737
Profit for the year	-	-	3,336,878	3,336,878
Total comprehensive income	-	-	3,336,878	3,336,878
Dividends	-	-	(190,000)	(190,000)
Transfers	-	260,000	(260,000)	-
At 31 December 2020	18,451	349,120	17,268,044	17,635,615

	Share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2021	18,451	349,120	17,268,044	17,635,615
Profit for the year	-	-	7,661,146	7,661,146
Total comprehensive income	-	-	7,661,146	7,661,146
Dividends	-	-	(595,604)	(595,604)
At 31 December 2021	18,451	349,120	24,333,586	24,701,157

The notes on pages 18 to 33 form an integral part of these financial statements.

A. & J. Scott Limited

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		7,661,146	3,336,878
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,443,568	1,452,934
Changes in fair value of investment property	13	-	(260,000)
Loss on disposal of tangible assets		12,731	9,408
Finance income	6	(556)	(8,995)
Finance costs	7	55,687	14,929
Income tax expense	11	2,118,088	816,898
		11,290,664	5,362,052
Working capital adjustments			
(Increase)/decrease in stocks	14	(923,718)	312,798
Increase in debtors	15	(1,026,111)	(612,715)
Increase/(decrease) in creditors	17	2,372,036	(1,420,374)
Decrease in deferred income, including government grants		(27,109)	(27,109)
Cash generated from operations		11,685,762	3,614,652
Income taxes paid	11	(642,807)	(106,665)
Net cash flow from operating activities		11,042,955	3,507,987
Cash flows from investing activities			
Interest received	6	556	8,995
Acquisitions of tangible assets		(7,633,971)	(1,052,610)
Proceeds from sale of tangible assets		215,543	125,539
Acquisition of investment properties		(630,100)	-
Net cash flows from investing activities		(8,047,972)	(918,076)
Cash flows from financing activities			
Interest paid	7	(55,687)	(14,929)
Proceeds from other borrowing draw downs		430,000	-
Repayment of other borrowing		(74,742)	(102,935)
Payments to finance lease creditors		(93,210)	(334,444)
Dividends paid	24	(595,604)	(190,000)
Net cash flows from financing activities		(389,243)	(642,308)
Net increase in cash and cash equivalents		2,605,740	1,947,603
Cash and cash equivalents at 1 January		6,537,090	4,589,487
Cash and cash equivalents at 31 December		9,142,830	6,537,090

The notes on pages 18 to 33 form an integral part of these financial statements.

A. & J. Scott Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is Station Sawmills, Wooperton, Alnwick, Northumberland, NE66 4XW.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

FRS 102 has been applied early as permitted by the standard.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern
The company meets its day to day working capital requirements through cash generated from operations.

At the time of signing these financial statements there has been no unmanageable impact on the company's main income streams, suppliers or employees as a direct result of the COVID-19 pandemic. The company's workforce key-worker status, has allowed them to work throughout the pandemic and, due to the sector in which the company's core activities are in, trade and operations have continued uninterrupted.

The company's forecasts and projections for the next twelve months show that it should be able to continue in operational existence for that period and operate within the facilities currently available to it, taking into account reasonable possible changes in trading performance. At the year end the financial statements the company showed significant cash balances.

Having considered the current cash forecasts of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of a least twelve months from the date of signing these financial statements.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2 Accounting policies (continued)

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £15,044,014 (2020 - £9,081,885).

Stock Valuation - Stock is valued under standard costing. The cost of finished goods and goods for resale is calculated per M3 of output and comprises direct materials, direct labour costs and those overheads that have been incurred in production. The carrying amount is £2,962,535 (2020 - £2,038,817).

Revenue recognition

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 when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on receipt of the goods by the customer), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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

The current income 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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land & buildings	10% reducing balance
Plant & machinery	At variable rates on reducing balance
Fixtures, fittings & equipment	At variable rates on reducing balance
Motor vehicles	25% reducing balance

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2 Accounting policies (continued)

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using standard costing.

The cost of finished goods and goods for resale comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

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.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

2 Accounting policies (continued)

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of timber	45,987,326	36,048,762

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	45,976,382	36,004,325
Europe	10,944	44,437
	45,987,326	36,048,762

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	27,109	27,109
Miscellaneous other operating income	25,808	22,957
CJRS & SSP rebate	33,679	149,486
	86,596	199,552

5 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	1,443,568	1,452,934
Foreign exchange losses	13,143	970
Loss on disposal of property, plant and equipment	12,731	9,408

6 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	4	8,995
Other finance income	552	-
	556	8,995

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on borrowings	52,497	9,697
Interest on obligations under finance leases and hire purchase contracts	3,190	5,232
	55,687	14,929

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	4,849,171	4,577,379
Social security costs	470,263	451,056
Pension costs, defined contribution scheme	126,286	132,043
Redundancy costs	-	9,760
	5,445,720	5,170,238

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Production	65	67
Administration and support	101	97
	166	164

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	116,662	162,460
Contributions paid to money purchase schemes	30,261	44,536
	146,923	206,996

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	4	4

10 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	13,305	13,305
Other fees to auditors		
Taxation compliance services	2,750	2,750

11 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	840,428	643,001
Deferred taxation		
Arising from origination and reversal of timing differences	786,794	104,048
Arising from changes in tax rates and laws	490,866	69,849
Total deferred taxation	1,277,660	173,897
Tax expense in the income statement	2,118,088	816,898

11 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	9,779,234	4,153,776
Corporation tax at standard rate	1,858,054	789,217
Effect of revenues exempt from taxation	(256,803)	(67,267)
Effect of expense not deductible in determining taxable profit (tax loss)	25,652	22,760
Deferred tax expense relating to changes in tax rates or laws	490,866	69,849
Decrease from effect of tax incentives	(6,576)	-
Tax increase from effect of capital allowances and depreciation	6,895	2,339
Total tax charge	2,118,088	816,898

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021 and the deferred tax balances at the year end have been calculated based on this rate.

Deferred tax

Deferred tax assets and liabilities

2021	Liability £
ACAs	1,983,240
Revaluations	63,219
Other timing differences	(1,188)
	2,045,271

2020	Liability £
ACAs	720,759
Revaluations	48,047
Other timing differences	(1,193)
	767,613

12 Tangible assets

	Land and buildings £	Assets under Construction £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2021	2,793,092	519,569	382,430	18,862,409	437,484	22,994,984
Additions	110,325	637,887	25,345	6,759,860	100,554	7,633,971
Disposals	-	-	(18,159)	(497,844)	(153,650)	(669,653)
Transfers	6,585	(519,569)	-	512,984	-	-
At 31 December 2021	2,910,002	637,887	389,616	25,637,409	384,388	29,959,302
Depreciation						
At 1 January 2021	1,755,524	-	305,365	11,623,432	228,778	13,913,099
Charge for the year	63,387	-	25,984	1,294,066	60,131	1,443,568
Eliminated on disposal	-	-	(16,317)	(340,146)	(84,916)	(441,379)
At 31 December 2021	1,818,911	-	315,032	12,577,352	203,993	14,915,288
Carrying amount						
At 31 December 2021	1,091,091	637,887	74,584	13,060,057	180,395	15,044,014
At 31 December 2020	1,037,568	519,569	77,065	7,238,977	208,706	9,081,885

Included within the net book value of land and buildings above is £1,091,091 (2020 - £1,037,568) in respect of freehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	215,929	285,057

13 Investment properties

	2021
	£
At 1 January	580,000
Additions	630,100
At 31 December	1,210,100

Investment property comprises of five properties. The fair value of the investment property reflects the valuations carried out by Aitchinsons Property Centre on 27 October 2020 and 29 July 2021. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	2,962,535	2,038,817

15 Debtors

	2021	2020
	£	£
Trade debtors	5,698,506	4,703,312
Other debtors	1,758	456
Prepayments	264,278	234,663
	5,964,542	4,938,431

16 Cash and cash equivalents

	2021	2020
	£	£
Cash at bank	9,142,830	6,537,090

17 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	18	251,015	110,363
Trade creditors		3,007,971	2,155,241
Social security and other taxes		378,719	653,993
Directors loan accounts		2,182,679	381,308
Other creditors		11,868	14,924
Accrued expenses		602,629	606,364
Corporation tax liability		840,428	642,807
Deferred income		27,109	27,109
		7,302,418	4,592,109
Due after one year			
Loans and borrowings	18	275,173	153,777
Deferred income		-	27,109
		275,173	180,886

18 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Hire purchase and finance lease liabilities	95,142	94,407
Other borrowings	155,873	15,956
	251,015	110,363

	2021 £	2020 £
Non-current loans and borrowings		
Hire purchase and finance lease liabilities	59,832	153,777
Other borrowings	215,341	-
	275,173	153,777

19 Provisions for liabilities

	Deferred tax	Total
	£	£
At 1 January 2021	767,613	767,613
Increase (decrease) in existing provisions	1,277,660	1,277,660
At 31 December 2021	2,045,273	2,045,273

Deferred tax assets are offset where the company has a legally enforceable right to do so. The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £126,286 (2020 - £132,043).

Contributions totalling £10,674 (2020 - £14,210) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary share capital of £1 each	18,451	18,451	18,451	18,451

22 Reserves

Share capital

Share capital represents the issued share capital of the company.

Profit and loss reserve

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Revaluation reserve

Revaluation reserves represent the surplus obtained from revaluations of investment property

23 Obligations under leases and hire purchase contracts

Finance leases

23 Obligations under leases and hire purchase contracts (continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	95,142	94,407
Later than one year and not later than five years	59,832	153,777
	154,974	248,184

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	55,000	55,000
Later than one year and not later than five years	55,000	110,000
	110,000	165,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £55,000 (2020 - £55,000).

24 Dividends

	2021	2020
	£	£
Interim dividend of £32.28 (2020 - £10.30) per ordinary share	595,604	190,000

25 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £2,837,849 (2020 - £3,437,694).

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

26 Analysis of changes in net debt

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash and cash equivalents			
Cash	6,537,090	2,605,740	9,142,830
Borrowings			
Long term borrowings	(15,956)	(355,257)	(371,213)
Lease liabilities	(248,184)	93,210	(154,974)
	(264,140)	(262,047)	(526,187)
	6,272,950	2,343,693	8,616,643

27 Related party transactions

A & J Scott Limited Directors Retirement Benefit Scheme is a related party by virtue of common directors. During the year £34,829 (2020: £34,073) of rent was charged. At the year end, the balance was £nil (2020 - £nil).

In addition, A & J Scott Limited Directors Retirement Benefit Scheme have provided loans to the company which have interest charged at market rates. At the year end, the balance was £371,214 (2020: £15,969) following additional advances during the year of £430,000.

R Scott Properties Limited is a related party due to being under the control of a director. During the year £55,000 (2020 - £55,000) of rent was charged by R Scott Properties Limited for the use of the Chirnside Site. At the year end, the balance was £nil (2020 - £nil).

During the year there were dividends paid to directors of £559,240 (2020 - £180,000). In addition, the directors advanced a loan of £1,700,000 which is interest bearing and is included within the directors loan account balance at the year end.

During the year the company purchased a property with a value of £595,000 (2020: £nil) from the directors. This property has subsequently been rented to the directors at an open market rate of £850 per month, the current year charge was £2,550 (2020: £nil).

28 Parent and ultimate parent undertaking

The ultimate controlling party is Mr A Scott.