

A & J ROBERTSON (GRANITE) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
31st DECEMBER 2021



A9 BOWER + SMITH LIMITED
Chartered Accountants & Statutory Auditor
6 Rubislaw Place
Aberdeen
AB10 1XN

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2021

Contents	Page
Notice of Meeting	1
Officers and Professional Advisers	2
Strategic Report	3
Directors' Report	5
Independent Auditor's Report to the Members	7
Consolidated Profit and Loss Account	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18
The Following Pages Do Not Form Part of the Consolidated Financial Statements	
Consolidated Detailed Profit and Loss Account	37
Notes to the Consolidated Detailed Profit and Loss Account	38
Schedules of Property and Motor Vehicles	40-42

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2021

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at Silvertrees Drive, Westhill, Aberdeen AB32 6BH on Friday 20th May 2022 at 10 a.m. to transact the following business :-

1. To receive and consider the Report of the Directors' and the audited financial statements for the year ended 31st December 2021 together with the Auditors Report thereon.
2. To re-appoint Auditors.
3. To transact any other competent business.

Registered office:

Robertson Granite
Silvertrees Drive
Westhill
Aberdeen
AB32 6BH

By order of the board



Clifford G Alexander
Company secretary

29th April 2022

Note:

A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.

A & J ROBERTSON (GRANITE) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Graeme D Robertson
Stewart G Gibson
Neil DK Robertson
William R Hutcheson (Appointed 21st February 2022)

Company Secretary

Clifford G Alexander

Registered Office

Robertson Granite
Silvertrees Drive
Westhill
Aberdeen
AB32 6BH

Auditor

A9 Bower + Smith Limited
Chartered Accountants & Statutory Auditor
6 Rubislaw Place
Aberdeen
AB10 1XN

Bankers

Virgin Money
62 Union Street
Aberdeen
AB10 1WD

Solicitors

Burness Paull
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

A & J ROBERTSON (GRANITE) LIMITED

STRATEGIC REPORT

YEAR ENDED 31st DECEMBER 2021

The Directors present their strategic report of the group for the year ended 31st December 2021.

BUSINESS REVIEW

The principal activity of the Group comprises the manufacture and sale of memorials and other products in granite, stone, slate and marble. There have not been any significant changes in the Group's principal activities in the year under review.

The Group made a loss after taxation of £17,750 for the year, compared to a loss after taxation of £174,610 for the previous year.

The Directors are disappointed with the results for 2021 which were as a consequence of a failure to achieve budgeted sales exacerbated by the effects of the global coronavirus pandemic.

The investment in Baldarroch Crematorium at Crathes near Aberdeen continues to be successful and it is hoped that a similar investment in Brewsterwells Crematorium will prove similarly successful after it opens in the summer of 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks to the business are that, firstly, the death rate in the UK reverts to its previous decline following the surge in the death rate as a result of the Covid-19 pandemic; secondly, that there is a continued growth in cremation at the expense of burials, resulting in fewer memorials. The decline in the economies of Aberdeen and Aberdeenshire, as a consequence of a Covid-19 related fall in energy prices, reduced the demand for sales from the Group's fireplace and stove shops. However, the continued growth in cremations will benefit our investments in crematoria.

PERFORMANCE INDICATORS

Sales were up by 27% of the previous year due to the Covid 19 economic and social restriction being eased and there was not a complete shut down of the business as in the previous year. Gross margins reduced slightly from 53% to 52%. The group received £370,384 in government retail business grants and employment support grants compared to £655,427 in previous year. Included in the loss is a revaluation loss of one property of £61,713 and a fair value reduction of an investment property of £47,564. Both properties were purchased in the last 5 years and the reduction in the value is due to the pandemic and a slump in the property market in the Aberdeen area. If we exclude the property revaluation, the group and parent would have made a profit before tax of £80,204.

The net assets of the Group reduced to £9,655,623 from £9,773,373 during the year.

POST BALANCE SHEET EVENTS

In common with most businesses, the company and group has been affected by the outbreak of Covid-19 which occurred in 2020 and continued throughout 2021 which severely disrupted trade. Restrictions were lifted during 2022 and the business is now able to operate at full capacity. The legacy of the pandemic is the impact on the supply chain because of a delay in importing material. This is putting pressure on prices and is being exacerbated by the recent conflict in Ukraine which has seen significant increase in energy and fuel prices. Both pressures are going to have an impact on production. Although trade has significantly improved and the group has come out of the pandemic in a stronger position, factors outside the Board's control are going to make 2022 another challenging year.

FUTURE DEVELOPMENTS

Following the move to custom built premises at Westhill, the Group hopes to consolidate its trading by increasing its trade and retail memorial sector as well as the fireplace retail sector. The Group's investment in Brewsterwells Crematorium will see the completion and opening of the crematorium in the summer of 2022.

A & J ROBERTSON (GRANITE) LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2021

ENVIRONMENT

The Group recognises the importance of environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's impact on the environment, including safe disposal of manufacturing waste, recycling and reducing energy consumption. All of this being reflected in the appointment of an environmental officer and the group joined the Ethical Stone Register during 2021.

EMPLOYEES

Details of the number of employees and related costs can be found in Note 8 to the Financial Statements on page 24. Effort is made by the Group to regularly consult employees through team briefs, staff council meetings on matters of concern in order that their views may be taken into account when making decisions which affect them. The Directors recognise the support of all employees during the year and are grateful for their loyalty.

REGISTERED OFFICE

Robertson Granite
Silvertrees Drive
Westhill
Aberdeen
AB32 6BH

This report was approved by the board of directors on 29th April 2022 and signed on behalf of the board by:



Clifford G Alexander
Company Secretary

Registered office:
Robertson Granite
Silvertrees Drive
Westhill
Aberdeen
AB32 6BH

A & J ROBERTSON (GRANITE) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2021

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

DIRECTORS

The directors who served the company during the year were as follows:

Graeme D Robertson	
Raymond A Garden	(Resigned 28th January 2022)
Stewart G Gibson	
Neil DK Robertson	

William R Hutcheson was appointed a Non-Executive Director on 21st February 2022.

DIVIDENDS

Dividends of £100,000 (2020 - £nil) were paid during the year ended 31st December 2021. The Directors do not recommend payment of further dividends for the year ended 31st December 2021.

FUTURE DEVELOPMENTS

This is dealt with in the Strategic Report.

POST BALANCE SHEET EVENTS

This is dealt with in the Strategic Report.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The Directors present their Strategic Report of the Company for the year ended 31st December 2021 on page 3 in accordance with S.414 (11) CA 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the consolidated 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 consolidated 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 ROBERTSON (GRANITE) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2021

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 29th April 2022 and signed on behalf of the board by:



Clifford G Alexander
Company Secretary

Registered office:
Robertson Granite
Silvertrees Drive
Westhill
Aberdeen
AB32 6BH

A & J ROBERTSON (GRANITE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J ROBERTSON (GRANITE) LIMITED

YEAR ENDED 31st DECEMBER 2021

OPINION

We have audited the consolidated financial statements of A & J Robertson (Granite) Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31st December 2021 which comprise the consolidated profit and loss account, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based in 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 A&J Robertson (Granite) Limited and its subsidiary's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

A & J ROBERTSON (GRANITE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J ROBERTSON (GRANITE) LIMITED *(continued)*

YEAR ENDED 31st DECEMBER 2021

OTHER INFORMATION

The other information comprises the information included in the Strategic Report and the Directors' Report, other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in 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 there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. 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.

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 the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the strategic report and the 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 the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

A & J ROBERTSON (GRANITE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J ROBERTSON (GRANITE) LIMITED (continued)

YEAR ENDED 31st DECEMBER 2021

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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.

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES INCLUDING FRAUD

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.

We obtain and update our understanding of the entity, its activities, its control environment and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulation, including fraud, we designed procedures which include:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud. We corroborated our enquires through our review of board minutes, tax correspondence and correspondence with the group's solicitors.
- Assessing the extent of compliance with laws and regulations considered to have a material effect on the financial statements or the operations of the group through enquiry and inspection. The most significant regulations are the Companies Act 2006 and UK corporate taxation laws. Other laws and regulations which have been considered are Health and Safety, employment law, GDPR, SEPA and waste regulations.

A & J ROBERTSON (GRANITE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J ROBERTSON (GRANITE) LIMITED *(continued)*

YEAR ENDED 31st DECEMBER 2021

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assessing the susceptibility of the group's financial statements to material misstatement including how fraud might occur. Audit procedures performed include:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. We review any large and unusual items within the accounts and any transactions that are out with the normal course of business;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries;
 - the engagement partner ensures that all audit staff have the necessary competence, capabilities and skills to identify any instances of non-compliance and that they remain alert with regards to such matters throughout the audit;
 - the areas of the financial statements which are considered most at risk of fraud have been given consideration. Revenue recognition is considered a low risk of material misstatement due to the group's controls in place and there is a segregation of duties when recording revenue;
 - the subsidiary is a non-trading company which holds property on behalf of the group. We are auditors of the subsidiary.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A & J ROBERTSON (GRANITE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J ROBERTSON (GRANITE) LIMITED *(continued)*

YEAR ENDED 31st DECEMBER 2021

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.



ALAN DUNCAN (Senior Statutory Auditor)

For and on behalf of
A9 Bower + Smith Limited
Chartered Accountants & Statutory Auditor

6 Rubislaw Place
Aberdeen
AB10 1XN

29th April 2022

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER 2021

	Note	2021 £	2020 £
TURNOVER	4	5,554,566	4,364,065
Change in stocks of finished goods and in work in progress		39,489	(35,279)
Other operating income	5	458,945	749,696
		6,053,000	5,078,482
Raw material and consumables		2,318,020	1,735,175
Direct costs		381,625	284,154
Staff costs	8	2,188,226	2,185,983
Depreciation and impairment of tangible assets		339,346	247,017
Other operating expenses		935,272	871,935
OPERATING LOSS	6	(109,489)	(245,782)
Gain on disposal of fixed assets		12,248	289
Share of profit/(loss) of associated undertakings		64,882	67,708
Exceptional item	10	—	(47,562)
Interest payable	11	(589)	(636)
Interest receivable		3,875	10,854
LOSS BEFORE TAXATION		(29,073)	(215,129)
Tax on loss	12	(11,323)	(40,519)
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(17,750)	(174,610)

All the activities of the group are from continuing operations.

The loss for the financial year of the parent company was £17,750 (2020 - £174,610).

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED BALANCE SHEET

31st DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	8,273,629	8,565,418
Investments	15	<u>916,046</u>	<u>648,814</u>
		9,189,675	9,214,232
CURRENT ASSETS			
Stocks	16	554,977	580,932
Debtors	17	524,206	648,440
Cash at bank and in hand		<u>2,309,828</u>	<u>2,069,486</u>
		3,389,011	3,298,858
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	<u>1,783,763</u>	<u>1,593,789</u>
NET CURRENT ASSETS		1,605,248	1,705,069
TOTAL ASSETS LESS CURRENT LIABILITIES		10,794,923	10,919,301
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19	(5,670)	(9,450)
PROVISIONS			
Deferred taxation	20	(1,133,630)	(1,136,478)
NET ASSETS		<u>9,655,623</u>	<u>9,773,373</u>
CAPITAL AND RESERVES			
Called up share capital	25	200,000	200,000
Revaluation reserve	26	858,183	858,183
Capital redemption reserve	26	30,000	30,000
Profit and loss account	26	<u>8,567,440</u>	<u>8,685,190</u>
MEMBERS FUNDS		<u>9,655,623</u>	<u>9,773,373</u>

These consolidated financial statements were approved by the board of directors and authorised for issue on 22nd April 2022, and are signed on behalf of the board by:



Graeme D Robertson
Chairman

Company registration number: SC038450

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

COMPANY BALANCE SHEET

31st DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	7,455,213	7,747,002
Investments	15	1,315,582	1,048,350
		<u>8,770,795</u>	<u>8,795,352</u>
CURRENT ASSETS			
Stocks	16	554,977	580,932
Debtors	17	613,085	737,319
Cash at bank and in hand		2,309,828	2,069,486
		<u>3,477,890</u>	<u>3,387,737</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	<u>1,783,762</u>	<u>1,593,788</u>
NET CURRENT ASSETS		<u>1,694,128</u>	<u>1,793,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,464,923</u>	<u>10,589,301</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19	(5,670)	(9,450)
PROVISIONS			
Deferred taxation	20	(1,127,956)	(1,130,804)
NET ASSETS		<u>9,331,297</u>	<u>9,449,047</u>
CAPITAL AND RESERVES			
Called up share capital	25	200,000	200,000
Revaluation reserve	26	831,106	831,106
Capital redemption reserve	26	30,000	30,000
Profit and loss account	26	8,270,191	8,387,941
MEMBERS FUNDS		<u>9,331,297</u>	<u>9,449,047</u>

These financial statements were approved by the board of directors and authorised for issue on 22nd April 2022, and are signed on behalf of the board by:



Graeme D Robertson
Chairman

Company registration number: SC038450

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31st DECEMBER 2021

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
AT 1st JANUARY 2020	200,000	858,183	30,000	8,859,800	9,947,983
Loss for the year	—	—	—	(174,610)	(174,610)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	(174,610)	(174,610)
AT 31st DECEMBER 2020	200,000	858,183	30,000	8,685,190	9,773,373
Loss for the year	—	—	—	(17,750)	(17,750)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	(17,750)	(17,750)
Dividends paid and payable 13	—	—	—	(100,000)	(100,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	—	(100,000)	(100,000)
AT 31st DECEMBER 2021	<u>200,000</u>	<u>858,183</u>	<u>30,000</u>	<u>8,567,440</u>	<u>9,655,623</u>

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31st DECEMBER 2021

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
AT 1st JANUARY 2020	200,000	831,106	30,000	8,562,551	9,623,657
Loss for the year				(174,610)	(174,610)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(174,610)	(174,610)
AT 31st DECEMBER 2020	200,000	831,106	30,000	8,387,941	9,449,047
Loss for the year				(17,750)	(17,750)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(17,750)	(17,750)
Dividends paid and payable 13	-	-	-	(100,000)	(100,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	-	-	(100,000)	(100,000)
AT 31st DECEMBER 2021	<u>200,000</u>	<u>831,106</u>	<u>30,000</u>	<u>8,270,191</u>	<u>9,331,297</u>

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31st DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(17,750)	(174,610)
<i>Adjustments for:</i>		
Depreciation of tangible assets	230,069	247,017
Gain on disposal of fixed assets	(12,248)	(289)
Impairment of tangible assets	61,713	—
Fair value adjustment of investment property	47,564	—
Share of (profit)/loss of associated undertakings	(64,882)	(67,708)
Government grant income	(370,384)	(655,427)
Interest receivable	(3,875)	(10,854)
Interest payable	589	636
Tax on loss	(11,323)	(40,519)
Accrued (income)/expenses	(12,276)	53,857
<i>Changes in:</i>		
Stocks	25,955	92,142
Trade and other debtors	124,234	(165,026)
Trade and other creditors	198,470	364,224
Cash generated from operations	195,856	(356,557)
Interest paid	(589)	(636)
Interest received	3,875	10,854
Government grant income	370,384	655,427
Tax received	8,475	—
Net cash from/(used in) operating activities	<u>382,145</u>	<u>665,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(51,471)	(76,486)
Proceeds from sale of tangible assets	16,162	1,607
Associate repayment of loan	42,857	—
Acquisition of interests in associates and joint ventures	(245,207)	(185,000)
Net cash used in investing activities	<u>(237,659)</u>	<u>(259,879)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(100,000)	—
Net cash from financing activities	<u>(100,000)</u>	<u>—</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	240,342	49,209
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,069,486	2,020,277
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,309,828</u>	<u>2,069,486</u>

The notes on pages 18 to 35 form part of these consolidated financial statements.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2021

1. GENERAL INFORMATION

A&J Robertson (Granite) Limited, the subsidiary company and the associated undertaking companies are limited by shares. The company, the subsidiary and the associates were incorporated in the UK and the registered office of the company is Robertson Granite, Silvertrees Drive, Westhill, Aberdeen, AB32 6BH.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss account.

The functional currency of A&J Robertson (Granite) Limited and its subsidiary and associated undertakings is considered to be pound sterling because that is the currency of the primary economic environment in which they operate.

Going Concern

These financial statements have been prepared on a going concern basis.

In response to the current economic conditions the directors have carefully considered the risks including an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment the directors consider that the group maintains an appropriate level of liquidity sufficient to meet the demands of the business. In addition, the group's assets are assessed for recoverability on a regular basis and the directors consider that the group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The company has a strong order book, no borrowing and a strong balance sheet and cash reserves. The associate Baldarrach Crematorium Limited has continued to perform well. A new crematorium is under construction and planned to open in the summer of 2022 which is expected to be another success.

The directors have a reasonable expectation that the group has resources to continue in operational existence for the foreseeable future and there are no material uncertainties that lead to significant doubt upon the group's ability to continue as a going concern. Therefore, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Disclosure Exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented for the company.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel for the company.

Consolidation

The financial statements consolidate the financial statements of A & J Robertson (Granite) Limited and its subsidiary undertaking. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes. The parent company has applied the exemption contained in section 408(3) of the Companies Act 2006 and has not included its individual profit and loss account. The consolidated financial statements also include the group share of the results of both associates.

Baldarroch Crematorium Limited and Brewsterwells Crematorium Limited are associated undertakings. An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Intra-group transactions, balances, income and expenditure have been eliminated on consolidation. Adjustments have been made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

Judgements and Key Sources of Estimation Uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The areas where judgement and estimation are used are in calculating bad debt provision, stock provision, rates used for the depreciation of tangible assets and fair value of investment property.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Revenue Recognition

The turnover shown in the profit and loss account represents amounts invoiced for work done during the year, exclusive of Value Added Tax, subject to adjustments for accrued and deferred income.

Turnover of goods is recognised when the ownership of the goods have been passed to the customer.

Revenue from work done is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property using the revaluation model is measured using tax rates and allowances that apply to sale of the asset.

Operating Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Rental Income

The lease agreements of properties where the company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the company in negotiating and arranging operating leases are immediately recognised as an expense in profit or loss.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Exceptional Items

Exceptional items are unusually large and uncommon transactions that require separate disclosure in order to separate normal business transactions from unusual ones. Such disclosure is considered necessary to present a better understanding of the years trading results.

Tangible Assets

Land & Buildings

All land and buildings are initially recorded at cost (or deemed cost).

Other Fixed Assets

All other fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or deemed cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold property	-	Straight line over periods varying between 20 and 50 years
Short leasehold property	-	Straight line over period of the lease
Plant and machinery	-	Straight line over periods varying between two to twenty years
Office furniture and equipment	-	Straight line over periods varying between two to ten years
Motor vehicles	-	Straight line over periods varying between three to five years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The directors reviewed and revised their accounting estimates with regard to the useful lives and residual values of each of the company's freehold buildings as at 31st December 2021. The directors will continue to reassess their accounting estimates with regard to the useful lives and residual values of each of the company's freehold buildings on an annual basis.

Investment Property

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments

In the company balance sheet, investment in subsidiary is measured at cost less impairment and investments in associates are measured at fair value with any changes recognised in the profit and loss account.

In the consolidated financial statements, investments in associates are measured at fair value with any changes recognised in the profit and loss account.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Stock and Work in Progress

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Allowance is made for obsolete and slowing moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads.

Cash and Cash Equivalent

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

Pension Funding

The company operates a defined benefit pension scheme under which the Trustees have ceased the accrual of benefits. Payments to this scheme have been made in accordance with actuarial advice and the scheme is now fully funded. The company operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the Company, being invested with an insurance company. The pension cost charge for the year represents the amounts payable in respect of the year covered by these financial statements. Information on pension funding is included in note 22 to the financial statements.

Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at the sterling exchange rate prevailing at the balance sheet date.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation at the reporting date as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liability.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

4. TURNOVER

Turnover arises from:

	2021 £	2020 £
Sale of goods	4,135,504	3,260,041
Rendering of services	1,419,062	1,104,024
	<u>5,554,566</u>	<u>4,364,065</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. OTHER OPERATING INCOME

	2021 £	2020 £
Rental income	82,561	88,269
Management charges receivable	6,000	6,000
Government grant income	301,658	393,724
Government employment support grants	68,726	261,703
	<u>458,945</u>	<u>749,696</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

6. OPERATING LOSS

Operating loss is stated after charging:

	2021	2020
	£	£
Impairment of freehold property	61,713	—
Fair value adjustments to investment property	47,564	—
Operating lease costs	98,033	103,399
Defined contribution pension scheme costs	109,542	119,476
Defined benefit pension scheme costs	28,125	20,015
Depreciation of owned fixed assets	<u>230,069</u>	<u>247,017</u>

7. AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees payable to the group's auditor:		
Audit-related assurance services	10,000	9,500
Audit-related services for subsidiary	1,500	1,500
Non audit services	5,600	4,750
	<u>17,100</u>	<u>15,750</u>

8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	21	22
Number of management, administration and sales staff	70	70
	<u>91</u>	<u>92</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	1,912,608	1,905,697
Social security costs	164,192	159,218
Other pension costs	111,426	121,068
	<u>2,188,226</u>	<u>2,185,983</u>

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	300,436	281,542
Company contributions to defined contribution pension plans	19,360	43,557
	<u>319,796</u>	<u>325,099</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

9. DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021 £	2020 £
Aggregate remuneration	100,124	94,057
Company contributions to defined contribution pension plans	<u>—</u>	<u>25,341</u>
	<u>100,124</u>	<u>119,398</u>

One director (2020 - one) have accrued benefits under the Group's Defined Benefit Pension Scheme and three directors (2020 - three) are accruing benefits under the Group's Money Purchase Pension Scheme.

The directors are the only employees that are considered key management personnel.

10. EXCEPTIONAL ITEMS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Fraud	<u>—</u>	<u>47,562</u>	<u>—</u>	<u>47,562</u>

During the year ended 31st December 2020, an employee fraud resulted in this loss to the company.

11. INTEREST PAYABLE

	2021 £	2020 £
Other interest payable	<u>589</u>	<u>636</u>

12. TAX ON LOSS

Major components of tax income

	2021 £	2020 £
Current tax:		
Adjustments in respect of prior periods	(8,475)	—
Deferred tax:		
Origination and reversal of timing differences	(2,848)	(40,519)
Tax on loss	<u>(11,323)</u>	<u>(40,519)</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

12. TAX ON LOSS *(continued)*

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Loss on ordinary activities before taxation	(29,073)	(215,129)
Loss on ordinary activities by rate of tax	(5,524)	(40,875)
Effect of expenses not deductible for tax purposes	39,375	18,479
Share of profit in associates	(12,328)	(12,864)
Effect of capital allowances and depreciation	(7,223)	(11,406)
Utilisation of tax losses	(14,300)	46,666
Rollover relief	(8,475)	—
Deferred tax	(2,848)	(40,519)
Tax on loss	(11,323)	(40,519)

Factors that may affect future tax income

Based on current capital investment plans, the group expects to claim capital allowances at a similar level to depreciation in future years.

13. DIVIDENDS

	2021 £	2020 £
Dividends on equity shares	100,000	—

14. TANGIBLE ASSETS

Group	Freehold property £	Short leasehold property £	Plant and machinery £	Office Furniture & Equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 Jan 2021	7,734,736	133,797	1,273,474	282,691	220,309	9,645,007
Additions	—	—	10,862	23,761	16,848	51,471
Disposals	—	—	(5,111)	(17,901)	(23,700)	(46,712)
Revaluations	(47,564)	—	—	—	—	(47,564)
At 31 Dec 2021	7,687,172	133,797	1,279,225	288,551	213,457	9,602,202
Depreciation						
At 1 Jan 2021	306,642	90,011	347,931	151,311	183,693	1,079,588
Charge for the year	87,987	7,253	82,657	34,389	17,783	230,069
Disposals	—	—	(2,723)	(16,374)	(23,700)	(42,797)
Impairment losses	61,713	—	—	—	—	61,713
At 31 Dec 2021	456,342	97,264	427,865	169,326	177,776	1,328,573
Carrying amount						
At 31 Dec 2021	7,230,830	36,533	851,360	119,225	35,681	8,273,629
At 31 Dec 2020	7,428,094	43,786	925,543	131,380	36,616	8,565,419

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st DECEMBER 2021

14. TANGIBLE ASSETS (continued)

The Freehold Land and Buildings held at 31st December 2005 were professionally revalued at market values on the basis of existing use. This valuation was used as the deemed cost on transition to FRS 102. Properties purchased between the date of transition and 31st December 2021 have been included at cost price less depreciation where applicable.

The freehold property 530 Great Western Road, Aberdeen was professional valued by FG Burnett, Chartered Surveyors on 14th July 2021 on the basis of market value with vacant possession. The fair value of the freehold property was considered to be £195,000. The property has been impaired by £61,713 during the year.

Freehold Property

The carrying value of Freehold Property comprises:

	2021 £	2020 £
Investment Property at fair value	400,000	447,564
Other Properties at deemed cost/cost	6,830,830	6,980,530
	<u>7,230,830</u>	<u>7,428,094</u>

The investment property was professional valued by FG Burnett, Chartered Surveyors on 14th July 2021 on the basis of market value with vacant possession. The fair value of the investment property was considered to be £400,000.

Company	Freehold property £	Short leasehold property £	Plant and machinery £	Office Furniture & Equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 Jan 2021	6,916,320	133,797	1,273,474	282,691	220,309	8,826,591
Additions	—	—	10,862	23,761	16,848	51,471
Disposals	—	—	(5,111)	(17,901)	(23,700)	(46,712)
Revaluations	(47,564)	—	—	—	—	(47,564)
At 31 Dec 2021	<u>6,868,756</u>	<u>133,797</u>	<u>1,279,225</u>	<u>288,551</u>	<u>213,457</u>	<u>8,783,786</u>
Depreciation						
At 1 Jan 2021	306,642	90,011	347,931	151,311	183,693	1,079,588
Charge for the year	87,987	7,253	82,657	34,389	17,783	230,069
Disposals	—	—	(2,723)	(16,374)	(23,700)	(42,797)
Impairment losses	61,713	—	—	—	—	61,713
At 31 Dec 2021	<u>456,342</u>	<u>97,264</u>	<u>427,865</u>	<u>169,326</u>	<u>177,776</u>	<u>1,328,573</u>
Carrying amount						
At 31 Dec 2021	<u>6,412,414</u>	<u>36,533</u>	<u>851,360</u>	<u>119,225</u>	<u>35,681</u>	<u>7,455,213</u>
At 31 Dec 2020	<u>6,609,678</u>	<u>43,786</u>	<u>925,543</u>	<u>131,380</u>	<u>36,616</u>	<u>7,747,003</u>

The Freehold Land and Buildings held at 31st December 2005 were professionally revalued at market values on the basis of existing use. This valuation was used as the deemed cost on transition to FRS 102. Properties purchased between the date of transition and 31st December 2021 have been included at cost price less depreciation where applicable.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st DECEMBER 2021

14. TANGIBLE ASSETS (continued)

The freehold property 530 Great Western Road, Aberdeen was professional valued by FG Burnett, Chartered Surveyors on 14th July 2021 on the basis of market value with vacant possession. The fair value of the freehold property was considered to be £195,000. The property has been impaired by £61,713 during the year.

Freehold Property

The carrying value of Freehold Property comprises:

	2021 £	2020 £
Investment Property at fair value	400,000	447,564
Other Properties at deemed cost/cost	6,012,414	6,980,530
	<u>6,412,414</u>	<u>7,428,094</u>

The investment property was professional valued by FG Burnett, Chartered Surveyors on 14th July 2021 on the basis of market value with vacant possession. The fair value of the investment property was considered to be £400,000.

15. INVESTMENTS

Group	Investment in Associated Undertakings £	Loans to Associated Undertakings £	Total £
Cost/Fair Value			
At 1st January 2021	190,350	461,230	651,580
Increase in fair value	67,456	—	67,456
Additions	—	245,207	245,207
Repayment	—	(42,857)	(42,857)
At 31st December 2021	<u>257,806</u>	<u>663,580</u>	<u>921,386</u>
Impairment			
At 1st January 2021	2,766	—	2,766
Additions	2,574	—	2,574
At 31st December 2021	<u>5,340</u>	<u>—</u>	<u>5,340</u>
Net Book Value			
At 31st December 2021	<u>252,466</u>	<u>663,580</u>	<u>916,046</u>
At 31st December 2020	<u>187,584</u>	<u>461,230</u>	<u>648,814</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Associated undertakings				
Brewsterwells Crematorium Limited	Scotland	Ordinary shares & loan	33.33%	Non trading
Baldarroch Crematorium Limited	Scotland	Ordinary shares & loan	28.57%	Crematorium

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st DECEMBER 2021

15. INVESTMENTS (continued)

Associated undertakings

The aggregate of Brewsterwells Crematorium Limited share capital and reserves as at 30th September 2021 amounted to £44,587 (31st July 2020 - £(8,300)). The loss for the period amounted to £(7,313) (year to 31st July 2020 - £(743)). The group has guaranteed £150,000 for bank loans for Brewsterwells Crematorium Limited.

The aggregate of Baldarroch Crematorium Limited share capital and reserves as at 31st December 2021 amounted to £796,655 (2020 - £560,547). The profit for the year amounted to £236,108 (2020 - £232,136).

Company	Subsidiary Company	Investment in Associated Undertakings	Loans to Associated Undertakings	Total
Cost/Fair Value	£	£	£	£
At 1st January 2021	399,536	190,350	461,230	1,051,116
Increase in fair value	—	67,456	—	67,456
Additions	—	—	245,207	245,207
Repayment	—	—	(42,857)	(42,857)
At 31st December 2021	399,536	257,806	663,580	1,320,922
Impairment				
At 1st January 2021	—	2,766	—	2,766
Additions	—	2,574	—	2,574
At 31st December 2021	—	5,340	—	5,340
Net Book Value				
At 31st December 2021	399,536	252,466	663,580	1,315,582
At 31st December 2020	399,536	187,584	461,230	1,048,350

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertaking				
H Stevenson & Sons Limited	England	Ordinary shares	100%	Property ownership
Associated undertakings				
Brewsterwells Crematorium Limited	Scotland	Ordinary shares & loan	33.33%	Non trading
Baldarroch Crematorium Limited	Scotland	Ordinary shares & loan	28.57%	Crematorium

Associates undertakings

The aggregate of Brewsterwells Crematorium Limited share capital and reserves as at 30th September 2021 amounted to £44,587 (31st July 2020 - £(8,300)). The loss for the period amounted to £(7,313) (year to 31st July 2020 - £(743)). The group has guaranteed £150,000 for bank loans for Brewsterwells Crematorium Limited.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

YEAR ENDED 31st DECEMBER 2021

15. INVESTMENTS (continued)

The aggregate of Baldarroch Crematorium Limited share capital and reserves as at 31st December 2021 amounted to £796,655 (2020 - £560,547). The profit for the year amounted to £236,108 (2020 - £232,136).

16. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	490,960	556,404	490,960	556,404
Work in progress	18,608	9,938	18,608	9,938
Finished goods and goods for resale	45,409	14,590	45,409	14,590
	<u>554,977</u>	<u>580,932</u>	<u>554,977</u>	<u>580,932</u>

17. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	267,094	223,737	267,094	223,737
Amounts owed by group undertakings	—	—	88,879	88,879
Prepayments and accrued income	257,112	424,703	257,112	424,703
	<u>524,206</u>	<u>648,440</u>	<u>613,085</u>	<u>737,319</u>

Amounts owed by group undertaking is an interest free loan between parent and subsidiary, H Stevensons & Sons Limited. There are no fixed repayment terms and the loan is repayable on demand.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Payments received on account	1,276,348	980,958	1,276,348	980,958
Trade creditors	155,705	136,072	155,704	136,071
Accruals and deferred income	161,228	173,504	161,228	173,504
Social security and other taxes	190,482	303,255	190,482	303,255
	<u>1,783,763</u>	<u>1,593,789</u>	<u>1,783,762</u>	<u>1,593,788</u>

Virgin Money holds two floating charges over the assets and undertakings of the company.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	<u>5,670</u>	<u>9,450</u>	<u>5,670</u>	<u>9,450</u>

Liabilities in respect of fixed asset purchased agreements are secured over the related fixed assets.

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

20. PROVISIONS

Group	Deferred tax (note 20) £
At 1st January 2021	1,136,478
Additions	6,822
Unused tax losses	14,702
Rolled over gains	(24,372)
At 31st December 2021	<u>1,133,630</u>
Company	Deferred tax (note 20) £
At 1st January 2021	1,130,804
Additions	6,822
Unused tax losses	14,702
Rolled over gains	(24,372)
At 31st December 2021	<u>1,127,956</u>

21. DEFERRED TAX

The deferred tax included in the company balance sheet is as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in provisions (note 19)	<u>1,133,630</u>	<u>1,136,478</u>	<u>1,127,956</u>	<u>1,130,804</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	208,220	201,398	208,220	201,398
Revaluation of tangible assets	42,762	42,762	37,088	37,088
Rolled over gains	1,056,987	1,081,359	1,056,987	1,081,359
Unused tax losses	(174,339)	(189,041)	(174,339)	(189,041)
	<u>1,133,630</u>	<u>1,136,478</u>	<u>1,127,956</u>	<u>1,130,804</u>

22. PENSIONS

The company operates a defined benefits pension scheme. The amounts included in the consolidated profit and loss account are as follows:

	Group and Company	
	2021	2020
	£	£
Admin expenses paid by scheme employer	<u>28,125</u>	<u>20,015</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

22. PENSIONS *(continued)*

The amounts included in the balance sheet arising from the obligations in respect of the defined benefit scheme are as follows:

	Group and Company	
	2021	2020
	£	£
Present value of defined benefit obligations	3,060,000	3,056,000
Fair value of plan assets	(3,137,000)	(3,078,000)
Scheme surplus	(77,000)	(22,000)
Unrecognised scheme surplus	77,000	22,000
Asset recognised in the balance sheet	—	—

FRS 102 limits the amount of a surplus that can be recognised in the balance sheet. It can only be recognised to the extent that the employer is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The surplus has been restricted to nil (2020: nil) on the basis that the scheme has been closed to future accrual since 1998.

The last actuarial valuation was carried out in April 2021, however, FRS 102 does not require the group/company to engage an independent actuary to perform the comprehensive actuarial valuation needed to calculate its defined benefit obligation. Nor does it require a comprehensive actuarial valuation to be carried out annually. In the periods between comprehensive actuarial valuations, if the principal actuarial assumptions have not changed significantly the defined benefit obligation can be measured by adjusting the prior period measurement for changes in employee demographics. There have been no such changes in either the principal assumptions or the employee demographics since April 2021.

The defined benefit obligations arise from plans funded as follows:

	Group and Company	
	2021	2020
	£	£
Wholly or partly funded obligations	3,060,000	3,056,000

The fair value of the plan assets at the year end comprised:

	Group and Company	
	2021	2020
	£	£
Pooled investment vehicles	2,956,000	2,939,000
Insurance policies	104,000	117,000
	3,060,000	3,056,000

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

22. PENSIONS *(continued)*

None of the scheme investments are held in this group. Actuarial valuations are performed every three years. No further payments to the defined benefits pension scheme will be made in accordance with actuarial advice. On 14th March 2012 a secondary floating charge was granted over the assets of the group in favour of the A & J Robertson (Granite) Ltd Pension & Life Assurance Scheme.

Key Assumptions	2021 £	2020 £
Discount rate pre-retirement	3.65%	4%
Discount rate post-retirement	2.30%	2.65%
RPI inflation	3.40%	3.30%
CPI inflation	2.20%	2.60%

Mortality rates have been assessed using the 100% S3PMA base table with future improvements based on CMI_2019[1.5%].

The company now operates a defined contribution pension scheme. Contributions to the defined contribution pension scheme are disclosed at note 6 to the financial statements.

23. GOVERNMENT GRANTS

The amounts recognised in the consolidated financial statements for government grants are as follows:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Recognised in other operating income:				
Government grants recognised directly in income	<u>370,384</u>	<u>655,427</u>	<u>370,384</u>	<u>655,427</u>

24. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	<u>283,514</u>	<u>242,642</u>

Financial assets that are equity instruments measured at cost less impairment

	Group	
	2021 £	2020 £
Financial assets that are equity instruments measured at cost less impairment	<u>916,046</u>	<u>648,814</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

24. FINANCIAL INSTRUMENTS *(continued)*

Financial liabilities measured at amortised cost

	Group	
	2021	2020
	£	£
Financial liabilities measured at amortised cost	<u>1,432,051</u>	<u>1,117,029</u>

The fair value through profit and loss at the balance sheet date are determined from latest set of associate accounts and trading position.

25. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

26. RESERVES

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

27. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	<u>74,209</u>	69,607	<u>74,209</u>	69,607
Later than 1 year and not later than 5 years	<u>217,105</u>	200,333	<u>217,105</u>	200,333
Later than 5 years	<u>—</u>	26,250	<u>—</u>	26,250
	<u>291,314</u>	<u>296,190</u>	<u>291,314</u>	<u>296,190</u>

A & J ROBERTSON (GRANITE) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2021

28. RELATED PARTY TRANSACTIONS

During the year the company paid dividends to directors (including dividends paid to a family trust) totalling £97,500 (2020 - £nil).

The company has taken advantage of the exemption available under FRS 102 paragraph 33.1A not to disclose related party transactions entered into between two or more members of a group where any subsidiary that is party to the transaction is wholly owned by such a member. At 31 December 2021 the subsidiary, H Stevenson & Son Limited was due £88,879 to the company (2020 - £88,879). The loan is interest free and repayable on demand.

The company operates a pension scheme on behalf of employees, with the funds being held separately from the company. The Company's contributions to the defined benefit pension scheme during the year amounted to £nil (2020 - £nil). Other costs incurred by the Company relating to the defined benefit pension scheme during the year amounted to £28,125 (2020 - £20,015).

The company sold stock to Baldarroch Crematorium Limited of £4,570 (2020 - £2,726) and sale of assets of £2,688 (2020 - £nil) during the year. Included in trade debtors is the balance of £nil (2020 - £nil) which is outstanding at the year end. The company charged Baldarroch Crematorium £6,000 (2020 - £6,000) management charge to provide administration services to the associate which remains outstanding at 31st December 2021 (2020 - £6,000).

The key management personnel are considered to be the Directors and their remuneration is disclosed at Note 9 to the Financial Statements.

29. CONTROLLING PARTY

Mr Graeme D Robertson is the controlling shareholder, Chairman and ultimate controlling party of the group.