Registered number: SC074997

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SCOTIA INSTRUMENTATION LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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SCOTIA INSTRUMENTATION LIMITED

COMPANY INFORMATION

Directors	James Thom Stephanie Rattray
Company secretary	*Brodies Secretarial Services Limited*
Registered number	SC074997
Registered office	Campus 1 Aberdeen Science and Technology Park Bridge of Don Aberdeen AB22 8GT
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

SCOTIA INSTRUMENTATION LIMITED

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SCOTIA INSTRUMENTATION LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Business review

The company's principal activity during the year continued to be the sale, hire, repair and calibration of instrumentation and pressure testing equipment and the manufacture of special purpose instrumentation.

Principal risks and uncertainties

The management of the business and the performance of the company are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to activity levels within the oil and gas sector as well as market competition and employee retention.

The company has considerable financial resources together with long term contracts with a number of customers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial key performance indicators

Although KPI's are used extensively through the organisation, given the nature of the business, the company's directors are of the opinion that financial analysis using KPI's is not necessary for an understanding of the development, financial performance or position of the business.

This report was approved by the board and signed on its behalf.

....

James Thom
Director

Date: 22/9/21

SCOTIA INSTRUMENTATION LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

RESULTS

The profit for the year, after taxation, amounted to £332,071 (2019 - £216,560).

Directors

The directors who served during the year were:

James Thom
Stephanie Rattray

Future developments

The company remains committed to the development of products and services together with the ongoing development of employees in line with business objectives.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....

James Thom
Director

Date: 22/9/21

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTIA INSTRUMENTATION LIMITED

Opinion

We have audited the financial statements of Scotia Instrumentation Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 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 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF SCOTIA INSTRUMENTATION LIMITED (CONTINUED)

Opinion 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 financial statements are prepared is consistent with the 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 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 in relation to which 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 Directors' responsibilities statement set out on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTIA INSTRUMENTATION LIMITED (CONTINUED)

Auditors' 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 Auditors' 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:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals along with complex transactions and manipulating the Company's key performance indicators to meet targets. We discussed these risks with client management, designed audit procedures to test the timing of commercial revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks

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 Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson & Brown Audit LLP

James Pirrie (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 23rd September 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		9,554,345	10,109,883
Cost of sales		(6,297,480)	(6,448,596)
Gross profit		3,256,865	3,661,287
Administrative expenses		(3,041,934)	(3,560,490)
Other operating income	5	382,969	117,407
Operating profit	4	597,900	218,204
Interest receivable and similar income	8	658	2,408
Interest payable and similar expenses	9	(202,181)	(39,490)
Profit before tax		396,377	181,122
Tax on profit	10	(64,306)	35,438
Profit for the financial year		332,071	216,560

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 22 form part of these financial statements.

SCOTIA INSTRUMENTATION LIMITED

REGISTERED NUMBER:SC074997

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BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	12		2,110,514		2,371,723
Investments	13		1		1
			2,110,515		2,371,724
Current assets					
Stocks	14	540,097		635,243	
Debtors: amounts falling due within one year	15	2,297,610		2,353,016	
Cash at bank and in hand	16	1,733,405		952,401	
		4,571,112		3,940,660	
Creditors: amounts falling due within one year	17	(4,428,333)		(4,347,313)	
Net current assets/(liabilities)			142,779		(406,653)
Total assets less current liabilities			2,253,294		1,965,071
Provisions for liabilities					
Deferred tax	18	(56,117)		(99,965)	
			(56,117)		(99,965)
Net assets			2,197,177		1,865,106
Capital and reserves					
Called up share capital	19		15,000		15,000
Capital redemption reserve			15,000		15,000
Profit and loss account			2,167,177		1,835,106
			2,197,177		1,865,106

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....

James Thom
Director

Date: 22/9/21

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	15,000	15,000	1,835,106	1,865,106
Comprehensive income for the year				
Profit for the year	-	-	332,071	332,071
At 31 December 2020	15,000	15,000	2,167,177	2,197,177

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	30,000	-	6,622,444	6,652,444
Comprehensive income for the year				
Profit for the year	-	-	216,560	216,560
Dividends: Equity capital	-	-	(3,900)	(3,900)
Purchase of own shares	-	15,000	(4,999,998)	(4,984,998)
Shares cancelled during the year	(15,000)	-	-	(15,000)
At 31 December 2019	15,000	15,000	1,835,106	1,865,106

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Cash flows from operating activities		
Profit for the financial year	332,071	216,560
Adjustments for:		
Depreciation of tangible assets	332,661	359,715
Loss on disposal of tangible assets	(34,917)	(117,407)
Interest paid	202,181	39,490
Interest received	(658)	(2,408)
Taxation charge	64,306	(35,438)
Decrease/(increase) in stocks	95,146	(11,091)
Decrease in debtors	42,795	2,291,778
Increase in creditors	52,354	2,483,613
Corporation tax received/(paid)	7,394	(444)
Net cash generated from operating activities	1,093,333	5,224,368
Cash flows from investing activities		
Purchase of tangible fixed assets	(86,000)	(254,830)
Sale of tangible fixed assets	49,465	172,179
Interest received	658	2,408
Net cash from investing activities	(35,877)	(80,243)
Cash flows from financing activities		
Purchase of ordinary shares	-	(4,999,998)
Dividends paid	-	(3,900)
Interest paid	(202,181)	(39,490)
Net cash used in financing activities	(202,181)	(5,043,388)
Net increase in cash and cash equivalents	855,275	100,737
Cash and cash equivalents at beginning of year	878,130	777,393
Cash and cash equivalents at the end of year	1,733,405	878,130
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,733,405	952,401
Bank overdrafts	-	(74,271)
	1,733,405	878,130

The notes on pages 11 to 22 form part of these financial statements.

1. General information

Scotia Instrumentation Limited is a limited liability company registered in Scotland. The registered office is Campus 1, Aberdeen Science and Technology Park, Bridge of Don, Aberdeen, AB22 8GT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the company to continue as a going concern. The directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult.

Despite this, the directors remain confident that the company can continue to operate as a going concern. This assessment is based on the understanding that the company and the wider group will continue to trade over the coming months, albeit at a potentially reduced level than was initially anticipated. This, along with government support and retained reserves will allow the company to continue to meet it's obligations as they fall due and operate as a going concern.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements..

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold property	- 85 years
Plant & machinery	- 5 - 10 years
Motor vehicles	- 4 years
Hire equipment	- 8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

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

2.8 Creditors

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

2. Accounting policies (continued)

2.9 Finance costs

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

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Operating leases

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

2.12 Pensions

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.13 Interest income

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

2.14 Borrowing costs

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

2.15 Provisions for liabilities

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

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

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

2. Accounting policies (continued)

2.16 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax authorities and differing interpretations of tax regulations by the Company and the tax authorities.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transaction in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. .

4. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of fixed assets	277,833	359,715
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	17,250	17,250
Other operating lease rentals	93,168	137,358
Pension cost	165,032	154,118

5. Other operating income

	2020 £	2019 £
Other operating income	382,969	117,407
	382,969	117,407

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	3,175,065	3,522,041
Social security costs	311,310	377,815
Cost of defined contribution scheme	165,032	154,118
	3,651,407	4,053,974

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Production	62	62
Administration	44	43
Directors	2	2
	108	107

7. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	102,267	409,798
Company contributions to defined contribution pension schemes	4,881	339
	107,148	410,137

During the year retirement benefits were accruing to no directors (2019 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £59,333 (2019 - £282,083).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

8. Interest receivable

	2020	2019
	£	£
Other interest receivable	658	2,408
	658	2,408

9. Interest payable

	2020	2019
	£	£
Other loan interest payable	202,181	39,490
	202,181	39,490

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10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	108,814	(12,611)
Adjustments in respect of previous periods	(660)	(12,215)
	108,154	(24,826)
Total current tax	108,154	(24,826)
Deferred tax		
Origination and reversal of timing differences	(55,609)	-
Changes to tax rates	11,761	(10,612)
Total deferred tax	(43,848)	(10,612)
Taxation on profit/(loss) on ordinary activities	64,306	(35,438)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	396,377	181,122
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	75,312	34,413
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	91	22,708
Adjustments to tax charge in respect of prior periods	-	(12,215)
Short term timing difference leading to an increase (decrease) in taxation	(732)	(9,247)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(21,607)	(73,140)
Capital gains	141	795
Changes in provisions leading to an increase (decrease) in the tax charge	-	1,248
Remeasurement of deferred tax for changes in tax rates	11,761	-
Adjustments to tax charge in respect of prior periods	(660)	-
Total tax charge for the year	64,306	(35,438)

Factors that may affect future tax charges

10. Taxation (continued)

The deferred tax balance has been calculated based on the expected future tax rate, substantively enacted at the balance sheet date, 19%. Since the balance sheet date it has been announced that the corporation tax rate int he ULK will increase to 25% from 1 April 2023 and therefore had the deferred tax been based on this rate the deferred tax liabilty would increase to £73,838.

11. Dividends

	2020 £	2019 £
Ordinary dividends	-	3,900
	-	3,900

12. Tangible fixed assets

	Long leasehold buildings £	Motor vehicles £	Workshop, office and hire equipment £	Total £
Cost or valuation				
At 1 January 2020	2,074,746	394,441	4,542,767	7,011,954
Additions	-	-	86,000	86,000
Disposals	-	-	(76,942)	(76,942)
At 31 December 2020	2,074,746	394,441	4,551,825	7,021,012
Depreciation				
At 1 January 2020	609,413	202,460	3,828,358	4,640,231
Charge for the year on owned assets	24,462	69,288	238,911	332,661
Disposals	-	-	(62,394)	(62,394)
At 31 December 2020	633,875	271,748	4,004,875	4,910,498
Net book value				
At 31 December 2020	1,440,871	122,693	546,950	2,110,514
At 31 December 2019	1,465,333	191,981	714,409	2,371,723

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	1
At 31 December 2020	1

At 31 December 2020 the company held 100% of the ordinary share capital of Scotia Computing Limited, a dormant company incorporated in Scotland.

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	540,097	635,243
	540,097	635,243

15. Debtors

	2020 £	2019 £
Trade debtors	1,703,430	1,761,447
Other debtors	-	12,611
Prepayments and accrued income	594,180	578,958
	2,297,610	2,353,016

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,733,405	952,401
Less: bank overdrafts	-	(74,271)
	1,733,405	878,130

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	74,271
Trade creditors	458,481	469,742
Corporation tax	102,937	-
Other taxation and social security	547,372	299,598
Other creditors	2,785,983	3,066,300
Accruals and deferred income	533,560	437,402
	4,428,333	4,347,313

The bank holds a security over the lease of the land, the buildings and a bond and floating charge over all the assets of the company.

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18. Deferred taxation

	2020 £
At beginning of year	99,965
Charged to profit or loss	(43,848)
At end of year	56,117

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	126,789	144,344
Short term timing differences	(70,672)	(44,379)
	56,117	99,965

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
14,999 (2019 - 14,999) Ordinary shares of £1.00 each	14,999	14,999
1 (2019 - 1) Deferred Ordinary share of £1.00	1	1
	15,000	15,000

The holder of a deferred ordinary share shall have no right to receive notice of, attend or vote at any meeting of the members of the company.

Each issued deferred ordinary share shall rank pari passu with each issued ordinary share in the capital of the company as to entitlement to dividend but only in respect of the excess beyond £5,000,000 of all dividends which may be declared in respect of the equity share capital of the company in any financial year of the company.

On winding-up of the company the first £50,000,000 shall be distributed solely to the holders of ordinary shares in the capital of the company in proportion to the number of shares respectively held. The issued deferred ordinary shares shall rank pari passu with the ordinary shares in the capital of the company only in respect of sums available for distribution on a winding-up in excess of £50,000,000.

The deferred ordinary shares have the above investment rights which shall apply in all circumstances except where there shall have been a Subsequent Disposal (as defined by reference in the Articles of Association of the company) in which event enhanced dividend and distribution rights apply.

During the year company bought back 14,999 Ordinary shares and 1 deferred Ordinary share for £5m.

20. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	84,180	84,180
Later than 1 year and not later than 5 years	322,520	336,720
Later than 5 years	890,829	960,802
	1,297,529	1,381,702

21. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

During the year the company had the following transactions with related parties:

Related party	**Transactions**	**£**	**Balance at year end £**
James Thom, director	Loan	(280,000)	(1,404,832)
	Interest paid on loan	105,950	(306,975)
James & Elaine Thom's Discretionary Trust	Loan	-	(750,000)
	Interest paid on loan	(52,500)	(52,500)
Thom Family Trust	Loan	-	(600,000)
	Interest paid on loan	(42,000)	(42,000)

The loans have no fixed repayment terms and interest is charged at 7% on loans due by the company. No interest is charged on amounts due to the company. The maximum balance due by the company to James Thom was £1,684,832.