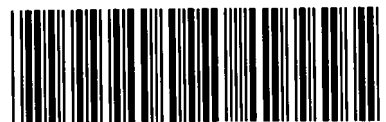

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	D B Ross W B Wilson R C Ross W J D McMartin
Registered number	01536834
Registered office	Octagon Point 5 Cheapside London EC2V 6AA
Independent auditor	French Duncan LLP Statutory Auditor & Chartered Accountants 133 Finnieston Street Glasgow G3 8HB
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB HSBC 76 Hanover Street Edinburgh EH2 1EL
Solicitors	Shepherd & Wedderburn LLP 1 Exchange Crescent Conference Square Edinburgh EH3 8UL

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

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ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report for the year ended 31 December 2021.

Business review

The company is 100% owned by Alexander Ross Holdings Limited. The company holds 100% of the share capital of Scottish Fine Soaps Limited, Unico Limited and Montague Lloyd Limited to which the company provides management services.

The company pays central costs on behalf of its two trading subsidiaries who both operate from the company's premises in Carronshore and recharges them substantially on an appropriate basis resulting in a minimal operating profit. The focus for the forthcoming year will be around improving production efficiencies, strong purchasing, and overhead reduction where possible.

The company has a key performance indicator focusing on the level of overheads. Like for like overheads in 2021 amounted to £1,696,855 compared to £2,044,627 in 2020, as a result of targeted cost reductions across the group operations.

In the current year the company benefited from dividends of £2,600,000 (2020 - £460,000) from subsidiary undertakings which resulted in a profit after tax of £2,659,985 (2020 - £508,081).

Principal risks and uncertainties

The company considers its principal risk to be the financial performance of its subsidiary companies, which support the carrying value of the company's investments and which provide support to this company to meet its liabilities as they fall due. The risk is managed through regular review by the board.

Other risks and uncertainties include:

Competitive risk - the company operates in a highly competitive market. Management are focussed as always on control of overheads which continue to remain at an acceptable level.

Liquidity risk - the cash generated from operations is forecast and monitored, expenditure including capital investment is controlled and the overall cash position monitored.

Legislation and other regulatory changes - the company monitors forthcoming and current legislation changes to assess the impact on operational and other requirements.

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



R C Ross
Director

Date: 20th June 2022

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Principal activity

The company's principal activity during the year was the provision of management services to subsidiary companies.

Results and dividends

The profit for the year, after taxation, amounted to £2,658,388 (2020 - £508,081).

A dividend of £3,145,243 (2020 - £460,000) was paid during the year.

Directors

The directors who served during the year were:

D B Ross
W B Wilson
R C Ross
W J D McMartin

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor


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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, French Duncan LLP, is deemed to have been reappointed under Section 487(2) of the Companies Act 2006.

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



R C Ross
Director

Date: 20th June 2022

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

Opinion

We have audited the financial statements of Alexander Ross Management Services Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER ROSS MANAGEMENT SERVICES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 2, 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.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER ROSS MANAGEMENT SERVICES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with the laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER ROSS MANAGEMENT SERVICES LIMITED (CONTINUED)

Auditors responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators including the Health and Safety Executive.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.



Nicola MacLennan (Senior statutory auditor)

for and on behalf of
French Duncan LLP

Statutory Auditor & Chartered Accountants

133 Finnieston Street
Glasgow
G3 8HB

Date: 21st June 2022

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Administrative expenses		(1,567,921)	(2,044,627)
Other operating income	4	1,641,756	2,101,279
Operating profit	5	73,835	56,652
Income from fixed assets investments		2,600,000	460,000
Profit before tax		2,673,835	516,652
Tax on profit	9	(15,447)	(8,571)
Profit for the financial year		2,658,388	508,081
 Total comprehensive income for the year		 2,658,388	 508,081


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

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 01536834

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	9,683	29,580
Investments	12	102,001	102,001
		<u>111,684</u>	<u>131,581</u>
Current assets			
Debtors: amounts falling due within one year	13	201,101	1,520,626
Cash at bank and in hand		174,454	130,610
		<u>375,555</u>	<u>1,651,236</u>
Creditors: amounts falling due within one year	14	(383,232)	(695,049)
Net current (liabilities)/assets		<u>(7,677)</u>	<u>956,187</u>
Total assets less current liabilities		<u>104,007</u>	<u>1,087,768</u>
Provisions for liabilities			
Deferred tax	15	-	(1,906)
Other provisions	16	-	(495,000)
		<u>-</u>	<u>(496,906)</u>
Net assets		<u><u>104,007</u></u>	<u><u>590,862</u></u>
Capital and reserves			
Called up share capital	17	1	545,244
Profit and loss account	18	104,006	45,618
		<u><u>104,007</u></u>	<u><u>590,862</u></u>

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



R C Ross
Director

Date: 20th June 2022

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

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	545,244	45,618	590,862
Comprehensive income for the year			
Profit for the year	-	2,658,388	2,658,388
Total comprehensive income for the year	-	2,658,388	2,658,388
Dividends: Equity capital	-	(3,145,243)	(3,145,243)
Purchase of own shares	-	545,243	545,243
Shares cancelled during the year	(545,243)	-	(545,243)
Total transactions with owners	(545,243)	(2,600,000)	(3,145,243)
At 31 December 2021	1	104,006	104,007

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	545,244	(2,463)	542,781
Comprehensive income for the year			
Profit for the year	-	508,081	508,081
Total comprehensive income for the year	-	508,081	508,081
Dividends: Equity capital	-	(460,000)	(460,000)
Total transactions with owners	-	(460,000)	(460,000)
At 31 December 2020	545,244	45,618	590,862

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

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Octagon Point, 5 Cheapside, London, EC2V 6AA.

The company's principal activity during the year was the provision of management services to subsidiary companies.

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 judgement in applying the company's accounting policies (see note 3).

The company's presentational and functional currency is GBP.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income / expense and net gains / losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedge, hedging of fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Alexander Ross Holdings Limited as at 31 December 2021 and these financial statements may be obtained from the registered office, North Main Street, Carronshore, Falkirk, FK2 8HT.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

The company is 100% owned by Alexander Ross Holdings Limited, and holds 100% of the share capital of Scottish Fine Soaps Limited and Unico Limited. The directors in forming their assessment of going concern for Alexander Ross Holdings Limited have reviewed and updated cash flow and trading forecasts to ensure the group has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing of the financial statements. The directors have considered a number of potential scenarios over the coming twelve months, including a different sales mix from those originally forecast as a result of post Covid-19 and other international events, and a sensitised forecast on the back of the current events shows that the group has adequate working capital to continue trading over this period.

The directors believe that the group continues to have a strong pipeline of sales opportunities and with a product base that is in demand. The directors are therefore satisfied that there is demand for the group's products. The group has shown its ability to sustain core business growth across the 2021 financial year, despite the uncertainty and challenges of post Covid-19, and the directors believe that the group will align its business to pre-pandemic levels with organic growth going forward.

Thus, with a healthy cash balance; strong sales through 2022; the ability of the team to adapt and work within the current economic climate; and with future forecasted trading expectations, the directors are satisfied that the group will have adequate resources to continue as a going concern for the foreseeable future.

2.5 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.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term

2.7 Government grants

Grants are accounted for under the accruals model permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation is provided on the following basis:

Plant and machinery	-	20% & 33% straight line
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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 the Statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 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.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

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

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 the Statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of financial position.

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.17 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.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

Property, plant and equipment

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets and in the current year there have been no changes in useful lives noted.

4. Other operating income

	2021 £	2020 £
Management charge	1,620,366	2,059,096
Government grants receivable	21,390	42,183
	<u>1,641,756</u>	<u>2,101,279</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	19,897	26,111
Fees payable to the company's auditor for the audit of the financial statements	37,000	23,500
Other operating lease rentals	<u>164,042</u>	<u>213,559</u>

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Employees

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

	2021 £	2020 £
Wages and salaries	485,850	544,185
Social security costs	43,009	55,050
Pension costs	90,260	106,380
	<u>619,119</u>	<u>705,615</u>

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

	2021 No.	2020 No.
Management and administration	<u>14</u>	<u>16</u>

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	206,133	237,206
Company contributions to defined contribution pension schemes	42,538	50,697
	<u>248,671</u>	<u>287,903</u>

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £92,749 (2020 - £94,565).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,300 (2020 - £8,732).

8. Income from investments

	2021 £	2020 £
Dividends received	<u>2,600,000</u>	<u>460,000</u>

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	17,353	15,383
Adjustments in respect of previous periods	-	(3,123)
Total current tax	<u>17,353</u>	<u>12,260</u>
Deferred tax		
Origination and reversal of timing differences	(1,906)	(3,689)
Total deferred tax	<u>(1,906)</u>	<u>(3,689)</u>
Taxation on profit on ordinary activities	<u>15,447</u>	<u>8,571</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,673,835</u>	<u>516,652</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	508,029	98,164
Effects of:		
Fixed asset differences	82	265
Expenses not deductible for tax purposes	186	665
Other differences leading to an increase/(decrease) in the tax charge	1,150	(3,123)
Non-taxable income	(494,000)	(87,400)
Total tax charge for the year	<u>15,447</u>	<u>8,571</u>

10. Dividends

	2021 £	2020 £
Equity dividends paid	<u>3,145,243</u>	<u>460,000</u>

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2021	139,678
At 31 December 2021	<u>139,678</u>
Depreciation	
At 1 January 2021	110,098
Charge for the year	19,897
At 31 December 2021	<u>129,995</u>
Net book value	
At 31 December 2021	<u>9,683</u>
At 31 December 2020	<u>29,580</u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021 and 31 December 2021	<u>102,001</u>
Net book value	
At 31 December 2020 and 31 December 2021	<u>102,001</u>

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiaries of the company:

Name	Principal activity	Class of shares	Holding
Scottish Fine Soaps Limited	Manufacture of soaps, toiletries and amenity products	Ordinary	100%
Unico Limited	Wholesale of janitorial products	Ordinary	100%
Montague Lloyd Limited	Dormant	Ordinary	100%

13. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	133,794	1,439,375
Other debtors	4,765	1,162
Prepayments and accrued income	62,542	80,089
	201,101	1,520,626

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	62,928	51,151
Amounts owed to group undertakings	142,656	253,246
Corporation tax	17,357	15,383
Other taxation and social security	15,341	28,761
Other creditors	-	173
Accruals and deferred income	144,950	346,335
	383,232	695,049

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Deferred taxation

	2021 £	2020 £
At beginning of year	1,906	5,595
(Credited) to profit or loss	(1,906)	(3,689)
At end of year	<u><u>-</u></u>	<u><u>1,906</u></u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u><u>-</u></u>	<u><u>1,906</u></u>

16. Other provisions

	Dilapidations provision £
At 1 January 2021	495,000
Utilised in year	(495,000)
At 31 December 2021	<u><u>-</u></u>

The company had a legal obligation, in respect of its leasehold occupation of a property in Falkirk, in respect of dilapidation costs. The provision was fully utilised during the year.

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 Ordinary share of £1 (2020 - 545,244 Ordinary shares of £1 each)	<u><u>1</u></u>	<u><u>545,244</u></u>

During the year 545,243 Ordinary £1 shares were bought back and cancelled.

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits and losses of the company less distributions made to shareholders.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £90,260 (2020 - £106,380). Contributions of £Nil (2020 - £173) were payable to the fund at the reporting date.

20. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	10,000	191,892
Later than 1 year and not later than 5 years	-	261,081
	<u>10,000</u>	<u>452,973</u>

21. Other financial commitments

The company's bankers hold a Fixed Charge over all present freehold and leasehold property; a First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and a First Floating Charge over all assets and undertakings both present and future. In addition, a Composite Company Unlimited Multilateral Guarantee has been given by Alexander Ross Holdings Limited, Unico Limited, Scottish Fine Soaps Limited, Alexander Ross Management Services Limited and Montague Lloyd Limited.

22. Related party transactions

The company has taken the exemption in section 33.1A of FRS 102 not to disclose inter-group transactions.

The main factory and warehouse is owned by a director who charged rent of £120,000 (2020 - £101,667).

ALEXANDER ROSS MANAGEMENT SERVICES LIMITED

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23. Controlling party

The directors consider the ultimate parent undertaking to be Alexander Ross Holdings Limited, a company registered in Scotland.

Alexander Ross Holdings Limited is the immediate parent, and is the smallest and largest group for which consolidated accounts including Alexander Ross Management Services Limited are prepared. The consolidated accounts can be obtained from the registered office of Alexander Ross Holdings Limited, North Main Street, Carronshore, Falkirk, FK2 8HT.