

SCANPOLE LIMITED

Company Registration No. 03971977 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

SCANPOLE LIMITED

COMPANY INFORMATION

Directors	Mr J Monni Mr A P Mononen Mr O Hulleberg Mr T K Mononen Mr K Kallarsson	(Appointed 10 June 2020)
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Secretary	Mr O Hulleberg
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Company number	03971977
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Registered office	Alexandra Docks Newport Gwent NP20 2WA
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Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA
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SCANPOLE LIMITED

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SCANPOLE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Scanpole Limited is a wholly owned subsidiary of Scanpole Oy and a part of the Iivari Mononen Group.

Fair review of the business

The company's performance in 2020 was driven by the increased demand in the utility sector for both power transmission and telecommunication poles.

The company revenue for the period was £14,348,188 with the increase of 9% compared to previous year. The company had net current assets of £1,680,284 at 31 December 2020 which is up on the previous year net current liabilities balance of £46,716.

We anticipate that the business volumes will increase in 2021. Driven by the increased demand for both power transmission and telecommunication poles.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition and future legislation relating to the Biocidal Products (preservatives) Regulations.

Competition

The company operates in a competitive market, and to reduce this risk the company works with its customers and suppliers to ensure that the company's products meet their needs in order to retain their custom. If necessary, the company then adjusts its strategy to better meet the customer's needs.

Future legislation relating to Biocidal Products (preservatives)

The company utilises certain wood preservative products which may be subject to future legislation changes - such legislation includes the Biocidal Products Regulation (BPR). Under the BPR wood preservatives are authorised for a period of 5 to 10 years. One of the preservatives used by the company is classed as 'products for substitution', namely creosote. The company is mitigating this risk by researching alternative wood preservatives that meet BPR criteria as well as researching alternative materials that would be acceptable to the utility sector.

COVID-19

The global COVID-19 pandemic has brought up uncertainty to the economic landscape in general. So far, the prevailing situation has not had notable impact to the company's raw material procurement, production or orderbook. The impact of COVID-19 to the company's operations will continue to be less than to the majority of other businesses.

Key performance indicators

Management have identified Key Performance Indicators (KPI's) that are used to drive business performance and set targets for units and employees throughout the business that will deliver the desired strategic goals.

The KPI's used by the management to assess performance of the company are turnover and EBIT. The company has recognized turnover of £14,348,188 (2019: £13,168,772) and EBIT of £315,865 (2019: £454,392).

On behalf of the board

Mr A P Mononen

Director

15 March 2021

SCANPOLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company continued to be that of the supply of high-quality electricity, telephone and lighting poles.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Monni

Mr A P Mononen

Mr O Hulleberg

Mr T K Mononen

Mr K Kallarsson

(Appointed 10 June 2020)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £500,000.

Auditor

In accordance with the company's articles, a resolution proposing that Dyke Yaxley Limited be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of review of business, principal risks and uncertainties and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A P Mononen

Director

15 March 2021

SCANPOLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCANPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCANPOLE LIMITED

Opinion

We have audited the financial statements of Scanpole Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 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 our 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.

SCANPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SCANPOLE LIMITED

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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the 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 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.

SCANPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SCANPOLE LIMITED

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 misstatement misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

SCANPOLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF SCANPOLE LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Andrew Young (Senior Statutory Auditor)
for and on behalf of Dyke Yaxley Limited

17 March 2021

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

SCANPOLE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	14,348,188	13,168,772
Cost of sales		(13,354,650)	(12,216,437)
Gross profit		993,538	952,335
Administrative expenses		(677,673)	(497,943)
Operating profit	4	315,865	454,392
Interest receivable and similar income	6	2,000,000	100,091
Interest payable and similar expenses	7	(35,618)	(122)
Profit before taxation		2,280,247	554,361
Tax on profit	8	(53,247)	(86,352)
Profit for the financial year		2,227,000	468,009

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

SCANPOLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Profit for the year	2,227,000	468,009
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,227,000</u>	<u>468,009</u>

SCANPOLE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	10		3,036,500		3,036,500
Current assets					
Stocks	12	3,744,128		4,301,482	
Debtors	13	1,475,780		1,794,966	
		<u>5,219,908</u>		<u>6,096,448</u>	
Creditors: amounts falling due within one year	14	<u>(3,539,624)</u>		<u>(6,143,164)</u>	
Net current assets/(liabilities)			<u>1,680,284</u>		<u>(46,716)</u>
Total assets less current liabilities			<u><u>4,716,784</u></u>		<u><u>2,989,784</u></u>
Capital and reserves					
Called up share capital	16		21,000		21,000
Profit and loss reserves			<u>4,695,784</u>		<u>2,968,784</u>
Total equity			<u><u>4,716,784</u></u>		<u><u>2,989,784</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 March 2021 and are signed on its behalf by:

Mr A P Mononen
Director

Company Registration No. 03971977

SCANPOLE LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2019		21,000	3,000,775	3,021,775
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	468,009	468,009
Dividends	9	-	(500,000)	(500,000)
Balance at 31 December 2019		21,000	2,968,784	2,989,784
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	2,227,000	2,227,000
Dividends	9	-	(500,000)	(500,000)
Balance at 31 December 2020		21,000	4,695,784	4,716,784

SCANPOLE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(519,594)		667,167
Interest paid			(35,618)		(122)
Income taxes paid			-		(91,865)
Net cash (outflow)/inflow from operating activities			<u>(555,212)</u>		<u>575,180</u>
Investing activities					
Interest received		-		91	
Dividends received		2,000,000		100,000	
Net cash generated from investing activities			<u>2,000,000</u>		<u>100,091</u>
Financing activities					
Dividends paid		(500,000)		(500,000)	
Net cash used in financing activities			<u>(500,000)</u>		<u>(500,000)</u>
Net increase in cash and cash equivalents			<u>944,788</u>		<u>175,271</u>
Cash and cash equivalents at beginning of year			<u>(944,788)</u>		<u>(1,120,059)</u>
Cash and cash equivalents at end of year			<u><u>-</u></u>		<u><u>(944,788)</u></u>
Relating to:					
Bank overdrafts included in creditors payable within one year			<u><u>-</u></u>		<u><u>(944,788)</u></u>

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Scanpole Limited is a private company limited by shares incorporated in England and Wales. The registered office is Alexandra Docks, Newport, Gwent, NP20 2WA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Scanpole Limited is a wholly owned subsidiary of Iivari Mononen Oy and the results of Scanpole Limited are included in the consolidated financial statements of Iivari Mononen Oy which are available from Rantakatu 25c, 80100 Joensuu, Finland.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Pole sales	14,348,188	13,168,772
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	-	91
Dividends received	2,000,000	100,000
	<u> </u>	<u> </u>
	2020 £	2019 £
Turnover analysed by geographical market		
UK	14,348,188	13,168,772
	<u> </u>	<u> </u>

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	11,739	1,377
Fees payable to the company's auditor for the audit of the company's financial statements	11,250	9,980
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	-	-
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest receivable from group companies	-	91
Income from fixed asset investments		
Income from shares in group undertakings	2,000,000	100,000
Total income	<u>2,000,000</u>	<u>100,091</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	-	91
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	35,618	-
Other finance costs:		
Other interest	-	122
	<u>35,618</u>	<u>122</u>

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	53,247	86,352

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,280,247	554,361
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	433,247	105,329
Adjustments in respect of prior years	-	23
Dividend income	(380,000)	(19,000)
Taxation charge for the year	53,247	86,352

9 Dividends

	2020 £	2019 £
Final paid	500,000	500,000

10 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	11	3,036,500	3,036,500

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 & 31 December 2020	3,036,500
Carrying amount	
At 31 December 2020	3,036,500
At 31 December 2019	3,036,500

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Burt Boulton & Haywood Limited	UK	Ordinary	100.00

12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,744,128	4,301,482

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	757,133	1,501,668
Amounts owed by group undertakings	185,132	-
Other debtors	533,515	269,258
Prepayments and accrued income	-	24,040
	1,475,780	1,794,966

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	15	-	944,788
Trade creditors		269,600	69,515
Amounts owed to group undertakings		2,555,422	3,776,940
Corporation tax		139,599	86,352
Other creditors		474,709	1,221,688
Accruals and deferred income		100,294	43,881
		3,539,624	6,143,164

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	-	944,788
Payable within one year	-	944,788

16 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
21,000 Ordinary Shares of £1 each	21,000	21,000

17 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2020 £	2019 £	2020 £	2019 £
Entities with control, joint control or significant influence over the company	-	-	2,273,084	2,534,872
Entities over which the entity has control, joint control or significant influence	428,351	201,254	8,128,989	9,313,628
Other group entities	-	-	1,395,734	-

	services received	
	2020 £	2019 £
Entities with control, joint control or significant influence over the company	173,185	186,430
Entities over which the entity has control, joint control or significant influence	404,328	223,758
Other group entities	42,077	-

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	2,555,422	983,062
Entities over which the entity has control, joint control or significant influence	-	2,793,879
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due from related parties		
Entities over which the entity has control, joint control or significant influence	168,000	-
Other group entities	17,132	-
	<u> </u>	<u> </u>

18 Ultimate controlling party

The ultimate parent company is Iivari Mononen Oy which is incorporated and trading in Finland. The ultimate parent company prepares group accounts and the Registered Office is Rantakatu 25c, 80100 Joensuu, Finland.

19 Cash (absorbed by)/generated from operations

	2020 £	2019 £
Profit for the year after tax	2,227,000	468,009
Adjustments for:		
Taxation charged	53,247	86,352
Finance costs	35,618	122
Investment income	(2,000,000)	(100,091)
Movements in working capital:		
Decrease/(increase) in stocks	557,354	(1,601,902)
Decrease/(increase) in debtors	319,186	(90,301)
(Decrease)/increase in creditors	(1,711,999)	1,904,978
	<u> </u>	<u> </u>
Cash (absorbed by)/generated from operations	<u>(519,594)</u>	<u>667,167</u>

SCANPOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of changes in net debt

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Bank overdrafts	(944,788)	944,788	-
	<u> </u>	<u> </u>	<u> </u>

21 Auditor's liability limitation agreement

In accordance with Companies Act 2006 (s538), we are required to disclose any auditor liability limitation agreements in effect.

A resolution was passed dated 20 January 2021 which limits the liability of the auditor to £5m for any loss or damage suffered by Scanpole Limited arising out of or in connection with the provision of services provided by the auditor including negligence but not willful default.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.