

**Directors' Report and
Financial Statements for the Year Ended 31 December 2020
for
Scottish Land & Estates Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2020**

	Page
Company Information	1
Directors' Report	2
Report of the Independent Auditors	4
Income Statement	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**Company Information
for the Year Ended 31 December 2020**

DIRECTORS:	S-J Laing H A Campbell Adamson D E Ward A S Lewis H M Grossart I E Channing M E Tennant A G Douglas Miller Ms L A Laidlaw D C Lewis
REGISTERED OFFICE:	Stuart House Eskmills Business Park Station Road Musselburgh East Lothian EH21 7PB
REGISTERED NUMBER:	SC257726 (Scotland)
SENIOR STATUTORY AUDITOR:	Jamie Younger BSc CA
INDEPENDENT AUDITORS:	Saffery Champness LLP Statutory Auditor Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
BANKERS:	Adam & Company PLC 25 St Andrew Square Edinburgh EH2 1AF

**Directors' Report
for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of representing the interests of, and providing services & benefits to, the membership, being those who manage rural property or land based businesses in Scotland.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

S-J Laing
H A Campbell Adamson
D E Ward
A S Lewis
H M Grossart
I E Channing
M E Tennant

Other changes in directors holding office are as follows:

Lord D P W H Johnstone - resigned 28 April 2020
A G Douglas Miller - appointed 28 April 2020
Ms L A Laidlaw - appointed 28 April 2020
D C Lewis - appointed 28 April 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the profit and loss of the company for that period. In preparing those 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Saffery Champness LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Scottish Land & Estates Limited (Registered number: SC257726)

**Directors' Report
for the Year Ended 31 December 2020**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

S-J Laing - Director

26 April 2021

Report of the Independent Auditors to the Members of Scottish Land & Estates Limited

Independent auditors' report to the members

Opinion

We have audited the financial statements of Scottish Land & Estates Limited for the year ended 31 December 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including 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 and its loss 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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

Report of the Independent Auditors to the Members of Scottish Land & Estates Limited

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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 or 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Report of the Independent Auditors to the Members of Scottish Land & Estates Limited

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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. Also, 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.

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 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.

Jamie Younger BSc CA (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Statutory Auditor
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

4 May 2021

**Income Statement
for the Year Ended 31 December 2020**

	Notes	31/12/20 £	£	31/12/19 £	£
REVENUE			1,328,353		1,543,068
Administrative expenses			<u>1,437,128</u>		<u>1,569,700</u>
			(108,775)		(26,632)
Other operating income			<u>82,358</u>		<u>50,187</u>
OPERATING (DEFICIT)/SURPLUS	4		(26,417)		23,555
Income from fixed asset investments		2,046		2,644	
Interest receivable and similar income		<u>175</u>		<u>191</u>	
			<u>2,221</u>		<u>2,835</u>
			(24,196)		26,390
Interest payable and similar expenses			<u>767</u>		<u>1,069</u>
(DEFICIT)/SURPLUS BEFORE TAXATION			(24,963)		25,321
Tax on (deficit)/surplus	5		<u>2,159</u>		<u>5,542</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR			<u>(27,122)</u>		<u>19,779</u>

The notes form part of these financial statements

Statement of Financial Position
31 December 2020

	Notes	31/12/20 £	£	31/12/19 £	£
FIXED ASSETS					
Intangible assets	6		3,809		6,236
Property, plant and equipment	7		37,839		53,766
Investments	8		<u>124,826</u>		<u>125,882</u>
			166,474		185,884
CURRENT ASSETS					
Debtors	9	45,528		107,110	
Cash at bank and in hand		<u>220,422</u>		<u>182,739</u>	
		265,950		289,849	
CREDITORS					
Amounts falling due within one year	10	<u>171,372</u>		<u>181,669</u>	
NET CURRENT ASSETS			<u>94,578</u>		<u>108,180</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			261,052		294,064
CREDITORS					
Amounts falling due after more than one year	11		(4,284)		(9,699)
PROVISIONS FOR LIABILITIES			<u>(5,289)</u>		<u>(5,764)</u>
NET ASSETS			<u>251,479</u>		<u>278,601</u>
RESERVES					
Members Support Fund			124,826		125,882
Income and expenditure account			<u>126,653</u>		<u>152,719</u>
MEMBERS' FUNDS			<u>251,479</u>		<u>278,601</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2021 and were signed on its behalf by:

S-J Laing - Director

A G Douglas Miller - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2020**

	Retained earnings £	Members Support Fund £	Wildlife Estates Scotland Fund £	Total equity £
Balance at 1 January 2019	154,986	102,636	1,200	258,822
Changes in equity				
Total comprehensive income	(2,267)	23,246	(1,200)	19,779
Balance at 31 December 2019	<u>152,719</u>	<u>125,882</u>	<u>-</u>	<u>278,601</u>
Changes in equity				
Total comprehensive income	(26,066)	(1,056)	-	(27,122)
Balance at 31 December 2020	<u>126,653</u>	<u>124,826</u>	<u>-</u>	<u>251,479</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

Scottish Land & Estates Limited is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Going Concern

The directors believe that the continued Covid 19 restrictions will continue for a significant part of 2021 and will therefore reduce operational expenditure due to the decreased travel and cancellation of external meetings and the summer agricultural shows. Key income generating events will be delivered virtually and sponsorship opportunities will decrease thus reducing income revenue but also reducing expenditure. The impact on member subscriptions due to issues of business viability is an ongoing concern but has been mitigated by strong member engagement. A focus on recruitment in 2021, partly through the return to a full strength regional structure, will increase new business revenue from the 2020 levels. Based on the forecasts, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

In terms of the fixed asset investments, as with the majority of investments there has been what the directors believe to be a short-term reduction in value. The investment portfolio is being held for the long term.

Income

Membership subscriptions are recognised as income for the accounting period in which they become due and include provision for amounts not expected to be received. Membership income intended to meet specific expenditure is recognised as the relevant expenditure is incurred. Grant income intended to meet specific expenditure is recognised as the relevant expenditure is incurred. Invoiced sales of goods and services are shown net of Value Added Tax.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Website development is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life as follows:

- Plant and machinery:	25% reducing balance
- Furniture & fittings	20% straight line
- Motor vehicles	25% reducing balance
- Computer equipment	25% straight line
- Improvements to property:	25% reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is provided on realised gains and income from investments and on commission.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Investments are stated at fair value. Gains and losses on disposal are taken to the income and expenditure account. Unrealised gains or losses on revaluation are also taken to the income and expenditure account.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 24 (2019 - 23) .

	31/12/20	31/12/19
£		
£		
Directors' remuneration and fees	136,724	110,442
Directors' pension contributions	10,917	21,450
Other benefits	7,723	6,590
	<u>155,364</u>	<u>138,482</u>

Two directors (2019: two) have retirement benefits accruing in respect of money purchase pension scheme arrangements.

4. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2019 - operating surplus) is stated after charging:

	31/12/20	31/12/19
£		
£		
Depreciation - owned assets	12,680	13,241
Website development amortisation	2,427	2,428
Auditors' remuneration	<u>3,300</u>	<u>3,200</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. TAXATION

Analysis of the tax charge

The tax charge on the deficit for the year was as follows:

	31/12/20 £	31/12/19 £
Current tax:		
UK corporation tax	2,634	2,856
Deferred tax	(475)	2,686
Tax on (deficit)/surplus	<u>2,159</u>	<u>5,542</u>

6. INTANGIBLE FIXED ASSETS

COST

At 1 January 2020
and 31 December 2020

AMORTISATION

At 1 January 2020
Amortisation for year
At 31 December 2020

NET BOOK VALUE

At 31 December 2020
At 31 December 2019

Website
development
£

9,710

3,474

2,427

5,901

3,809

6,236

7. PROPERTY, PLANT AND EQUIPMENT

Improvements
to
tenanted
properties
£

Plant and
machinery
£

Furniture
& fittings
£

COST

At 1 January 2020
Additions
At 31 December 2020

DEPRECIATION

At 1 January 2020
Charge for year
At 31 December 2020

NET BOOK VALUE

At 31 December 2020
At 31 December 2019

34,333

560

34,893

20,727

3,495

24,222

10,671

13,606

2,826

-

2,826

1,251

404

1,655

1,171

1,575

5,472

-

5,472

1,285

1,094

2,379

3,093

4,187

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. **PROPERTY, PLANT AND EQUIPMENT - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2020	25,735	96,750	165,116
Additions	-	615	1,175
At 31 December 2020	<u>25,735</u>	<u>97,365</u>	<u>166,291</u>
DEPRECIATION			
At 1 January 2020	8,047	80,040	111,350
Charge for year	<u>4,422</u>	<u>7,687</u>	<u>17,102</u>
At 31 December 2020	<u>12,469</u>	<u>87,727</u>	<u>128,452</u>
NET BOOK VALUE			
At 31 December 2020	<u>13,266</u>	<u>9,638</u>	<u>37,839</u>
At 31 December 2019	<u>17,688</u>	<u>16,710</u>	<u>53,766</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2020 and 31 December 2020	<u>25,735</u>
DEPRECIATION	
At 1 January 2020	8,047
Charge for year	<u>4,422</u>
At 31 December 2020	<u>12,469</u>
NET BOOK VALUE	
At 31 December 2020	<u>13,266</u>
At 31 December 2019	<u>17,688</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. **FIXED ASSET INVESTMENTS**

	Other investments £
COST OR VALUATION	
At 1 January 2020	125,882
Additions	10,348
Disposals	(8,576)
Revaluations	(2,828)
At 31 December 2020	<u>124,826</u>
NET BOOK VALUE	
At 31 December 2020	<u>124,826</u>
At 31 December 2019	<u>125,882</u>

Cost or valuation at 31 December 2020 is represented by:

	Other investments £
Valuation in 2020	30,724
Cost	<u>94,102</u>
	<u>124,826</u>

The fixed asset investments is the Members Support Fund reserve as shown in the statement of changes in equity.

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/20 £	31/12/19 £
Trade debtors	29,871	88,673
Other debtors	174	-
VAT	-	6,154
Prepayments and accrued income	<u>15,483</u>	<u>12,283</u>
	<u>45,528</u>	<u>107,110</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/20 £	31/12/19 £
Hire purchase contracts (see note 12)	5,415	5,093
Trade creditors	59,622	91,094
Corporation tax	2,181	3,200
Social security and other taxes	21,992	24,797
VAT	65,646	-
Other creditors	6,620	8,660
Deferred income	-	39,250
Accrued expenses	<u>9,896</u>	<u>9,575</u>
	<u>171,372</u>	<u>181,669</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/12/20	31/12/19
	£	£
Hire purchase contracts (see note 12)	<u>4,284</u>	<u>9,699</u>

12. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31/12/20	31/12/19
	£	£
Net obligations repayable:		
Within one year	5,415	5,093
Between one and five years	<u>4,284</u>	<u>9,699</u>
	<u>9,699</u>	<u>14,792</u>

	Non-cancellable operating leases	
	31/12/20	31/12/19
	£	£
Within one year	31,421	37,686
Between one and five years	<u>52,562</u>	<u>83,983</u>
	<u>83,983</u>	<u>121,669</u>

13. **PENSION COMMITMENTS**

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company and the schemes are administered independently. The pension cost charge represents contributions payable by the company to the funds and amounts to £37,616 (2019: £32,483).

14. **RELATED PARTY DISCLOSURES**

The non-executive directors are all members or representatives of members, with whom the company deals on an arm's-length basis.

15. **LIMITED BY GUARANTEE**

In the event of winding up or dissolution of the company, under the terms of the guarantee the liability of each member shall be limited to £1.

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.