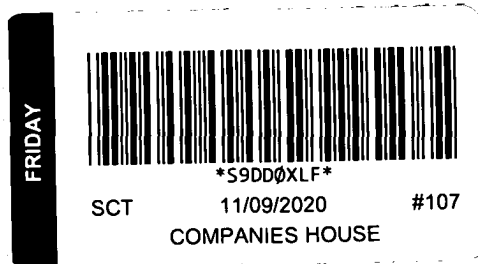

BROWN, SON AND FERGUSON, LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



BROWN, SON AND FERGUSON, LIMITED

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BROWN, SON AND FERGUSON, LIMITED
REGISTERED NUMBER: SC011878

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	328,404	352,672
		<u>328,404</u>	<u>352,672</u>
Current assets			
Stocks	5	164,692	211,593
Debtors: amounts falling due within one year	6	275,863	267,554
Cash at bank and in hand	7	93,296	218,570
		<u>533,851</u>	<u>697,717</u>
Creditors: amounts falling due within one year	8	(102,492)	(167,879)
Net current assets		<u>431,359</u>	<u>529,838</u>
Total assets less current liabilities		<u>759,763</u>	<u>882,510</u>
Provisions for liabilities			
Deferred tax	9	-	(5,018)
		<u>-</u>	<u>(5,018)</u>
Net assets		<u><u>759,763</u></u>	<u><u>877,492</u></u>
Capital and reserves			
Called up share capital		8,127	8,127
Capital redemption reserve		27,729	27,729
Profit and loss account		723,907	841,636
		<u>759,763</u>	<u>877,492</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities

BROWN, SON AND FERGUSON, LIMITED
REGISTERED NUMBER:SC011878

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2020.

Richard Brown

R B P Brown
Director

Ngel Brown

T N Brown
Director

The notes on pages 3 to 8 form part of these financial statements.

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Brown, Son and Ferguson, Limited is a limited company incorporated in Scotland. Its registered office address is Unit 1A, 426 Drumoyne Road, Glasgow, G51 4DA.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Revenue

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.4 Pensions

Defined contribution pension plan

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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.5 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 balance sheet date in the countries where the Company operates and generates income.

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

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

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

2.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance or straight line basis.

Depreciation is provided on the following basis:

Freehold property	- 5% Straight Line
Plant and machinery	- 20% - 33.33% reducing balance
Motor vehicles	- 25% reducing balance
Furniture and fittings	- 15% reducing balance

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.

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Stocks

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

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

2.8 Debtors

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

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

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

2.11 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 Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.12 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2018 - 11).

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	434,678	420,414	25,222	880,314
Additions	-	2,312	-	2,312
At 31 December 2019	<u>434,678</u>	<u>422,726</u>	<u>25,222</u>	<u>882,626</u>
Depreciation				
At 1 January 2019	97,056	405,528	25,059	527,643
Charge for the year on owned assets	21,734	4,822	24	26,580
At 31 December 2019	<u>118,790</u>	<u>410,350</u>	<u>25,083</u>	<u>554,223</u>
Net book value				
At 31 December 2019	<u>315,888</u>	<u>12,376</u>	<u>139</u>	<u>328,403</u>
At 31 December 2018	<u>337,622</u>	<u>14,887</u>	<u>163</u>	<u>352,672</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	315,888	337,622
	<u>315,888</u>	<u>337,622</u>

5. Stocks

	2019 £	2018 £
Finished goods and goods for resale	164,692	211,593
	<u>164,692</u>	<u>211,593</u>

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

	2019 £	2018 £
Trade debtors	263,519	263,107
Prepayments and accrued income	7,525	4,447
Tax recoverable	4,819	-
	<u>275,863</u>	<u>267,554</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	93,296	218,570
	<u>93,296</u>	<u>218,570</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	38,204	32,239
Corporation tax	-	4,819
Other taxation and social security	14,830	16,460
Accruals and deferred income	49,458	114,361
	<u>102,492</u>	<u>167,879</u>

9. Deferred taxation

	2019 £	2018 £
At beginning of year	5,018	6,089
Charged to profit or loss	(5,018)	(1,071)
At end of year	<u>-</u>	<u>5,018</u>

BROWN, SON AND FERGUSON, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	5,018
	<u>-</u>	<u>5,018</u>
	<u>-</u>	<u>5,018</u>

10. Pension commitments

The Company operates a defined contributions 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 £35,354 (2018 - £29,570). Contributions totalling £nil (2018 - £nil) were outstanding at the balance sheet date.

11. Related party transactions

The four directors of the company own all the shares in the company. During the year dividends were paid at £nil per ordinary share held (2018 - £nil per ordinary share held).