

Company Registration No. SC032547 (Scotland)

THE WILLIAMSON GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



THE WILLIAMSON GROUP LIMITED

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THE WILLIAMSON GROUP LIMITED

COMPANY INFORMATION

Directors	G V Williamson M A Williamson C A S Williamson
Secretary	C A S Williamson
Company number	SC032547
Registered office	5 Walker Road Longman Industrial Estate Inverness IV1 1TD
Auditor	Azets Audit Services Chartered Accountants 10 Ardross Street Inverness IV3 5NS

THE WILLIAMSON GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company in the year under review was that of wholesaling and retailing food and related produce, with haulage operations being carried out ancillary to this trade.

The company has enjoyed strong trading activity over the last year which has reflected the Highlands growth as a visitor destination and a proliferation of new catering operations particularly around the North Coast 500 route and the Islands.

Revenue from third party distribution and associated activities remained strong with small growth in this area.

Supplying into the retail sector provided further growth and product diversification. Much of the sales growth in 2019 was attributed to chilled and retail. All other categories remained strong including continued growth in fresh produce sales.

The company maintained its efforts on selling and the representation of Highlands and Islands food and drink producers during 2019.

Business review

The principal risk to the business relates to failure of IT. Concentration on improving systems and efficiencies in recent years has resulted in more emphasis on technology. The directors are satisfied that there are adequate procedures in place to manage this risk sufficiently.

The industry is extremely competitive with the market being served by several competitors of varying size. This risk is mitigated by ensuring the continued improvement of choice, price and service offered to our customers.

The company has benefited from a growth in visitor numbers to the Highlands & Islands. This has in part been attributed to safety and security in other world class destinations. Any similar domestic security issues could impact this business growth.

Covid-19

At the start of 2020 we were already showing signs of growth in all our product categories and had welcomed a healthy number of new customers into our service. As soon as the first lock-down began we saw almost all hospitality businesses close and commercial catering reduce to almost zero.

During lock-down retail and institutional catering remained in place and our company also pivoted towards direct-to-home deliveries – under the Ness Valley brand – and worked with the Third sector and community groups to maintain food supplies into the rural areas of the Highlands and Islands.

Once out of lockdown trade took longer to build and never reached previous levels however we found ways to safely maintain a service to all our areas.

We were successful in attracting funds through the Pivotal Enterprise Resilience Fund and made use of the furlough scheme to retain the large majority of our staff. Along with fresh funding from our supporting lenders we have maintained a “near normal” operation which we believe will prove to be robust for post virus trade when it returns.

Financial key performance indicators

Our Key Performance Indicators in 2020 will be sales, gross profit margin and wages margin.

Results

During the year turnover increased significantly to £14,030k (2018 - £13,196k). Net cash generated from operating activities was £414k (2018 - £566k) with profit before tax for the year being £281k (2018 - £331k).

THE WILLIAMSON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Future Developments

The directors' assessment of risk leads them to continue to concentrate on gaining more business which meet the company's required risk profile whilst ensuring that margins are not eroded.

On behalf of the board



.....
G V Williamson

Director

18th December 2020
.....

THE WILLIAMSON GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Directors

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

G V Williamson

M A Williamson

J W Williamson

C A S Williamson

(Resigned 20 December 2019)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Post reporting date events

After the year end, the operations were affected by COVID-19, the impact of which is discussed within the Strategic Report.

Auditor

Following the acquisition of Scott-Moncrieff Chartered Accountants by Azets, Scott-Moncrieff Chartered Accountants resigned as auditor and were replaced by Azets Audit Services Limited, trading as Azets Audit Services, a company owned by Azets. Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

Statement of directors' responsibilities

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.

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.

THE WILLIAMSON GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern


At the start of 2020 we were already showing signs of growth in all our product categories and had welcomed a healthy number of new customers into our service. As soon as the first lock-down began we saw almost all hospitality businesses close and commercial catering reduce to almost zero.

During lock-down retail and institutional catering remained in place and our company also pivoted towards direct-to-home deliveries – under the Ness Valley brand – and worked with the Third sector and community groups to maintain food supplies into the rural areas of the Highlands and Islands.

Once out of lockdown trade took longer to build and never reached previous levels however we found ways to safely maintain a service to all our areas.

We were successful in attracting funds through the Pivotal Enterprise Resilience Fund and made use of the furlough scheme to retain the large majority of our staff. Along with fresh funding from our supporting lenders we have maintained a “near normal” operation which we believe will prove to be robust for post virus trade when it returns.

On behalf of the board



G V Williamson

Director

Date: 18th December 2020

THE WILLIAMSON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

Opinion

We have audited the financial statements of The Williamson Group Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the statement of financial position, 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

However because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example the impact of Covid-19 on the company's trade, customers, suppliers, employees and other stakeholders and on the wider economy in general is difficult to evaluate.

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.

THE WILLIAMSON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

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.

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.

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.

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.

THE WILLIAMSON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

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.

Allison Gibson (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

~~18 December~~ 2020

Statutory Auditor

10 Ardross Street
Inverness
IV3 5NS

THE WILLIAMSON GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	14,030,475	13,196,342
Cost of sales		(12,432,462)	(11,692,006)
Gross profit		1,598,013	1,504,336
Administrative expenses		(1,352,611)	(1,222,956)
Other operating income		50,960	51,960
Operating profit	4	296,362	333,340
Interest payable and similar expenses	8	(15,057)	(2,290)
Profit before taxation		281,305	331,050
Tax on profit	9	(50,790)	(67,693)
Profit for the financial year		230,515	263,357
Retained earnings brought forward		2,017,399	1,854,042
Dividends	10	-	(100,000)
Retained earnings carried forward		2,247,914	2,017,399

The income statement has been prepared on the basis that all operations are continuing operations.


THE WILLIAMSON GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Goodwill	11		-		13,175
Tangible assets	12		1,608,661		1,415,078
Investment properties	13		501,133		501,133
			<u>2,109,794</u>		<u>1,929,386</u>
Current assets					
Stocks	14	390,367		365,688	
Debtors	15	1,064,350		1,012,227	
Cash at bank and in hand		591,250		164,051	
		<u>2,045,967</u>		<u>1,541,966</u>	
Creditors: amounts falling due within one year	16	(1,210,407)		(1,146,786)	
Net current assets			<u>835,560</u>		<u>395,180</u>
Total assets less current liabilities			<u>2,945,354</u>		<u>2,324,566</u>
Creditors: amounts falling due after more than one year	17		(561,210)		(221,727)
Provisions for liabilities	21		(126,230)		(75,440)
Net assets			<u><u>2,257,914</u></u>		<u><u>2,027,399</u></u>
Capital and reserves					
Called up share capital	22		2,000		2,000
Capital redemption reserve	23		8,000		8,000
Profit and loss reserves	23		2,247,914		2,017,399
Total equity			<u><u>2,257,914</u></u>		<u><u>2,027,399</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18th December 2020 and are signed on its behalf by:



 G V Williamson
 Director

Company Registration No. SC032547

THE WILLIAMSON GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	30	492,768		647,456	
Interest paid		(15,057)		(2,290)	
Income taxes paid		(64,141)		(79,659)	
Net cash inflow from operating activities		413,570		565,507	
Investing activities					
Purchase of tangible fixed assets		(211,747)		(63,038)	
Proceeds on disposal of tangible fixed assets		7,333		3,217	
Net cash used in investing activities		(204,414)		(59,821)	
Financing activities					
Proceeds from borrowings		355,000		-	
Repayment of borrowings		(4,958)		(200,000)	
Repayment of bank loans		-		(33,731)	
Payment of finance leases obligations		(131,999)		(169,707)	
Dividends paid		-		(100,000)	
Net cash generated from/(used in) financing activities		218,043		(503,438)	
Net increase in cash and cash equivalents		427,199		2,248	
Cash and cash equivalents at beginning of year		164,051		161,803	
Cash and cash equivalents at end of year		591,250		164,051	

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

The Williamson Group Limited is a private company limited by shares incorporated in Scotland. The registered office is 5 Walker Road, Longman Industrial Estate, Inverness, IV1 1TD.

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, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the start of 2020 we were already showing signs of growth in all our product categories and had welcomed a healthy number of new customers into our service. As soon as the first lock-down began we saw almost all hospitality businesses close and commercial catering reduce to almost zero.

During lock-down retail and institutional catering remained in place and our company also pivoted towards direct-to-home deliveries – under the Ness Valley brand – and worked with the Third sector and community groups to maintain food supplies into the rural areas of the Highlands and Islands.

Once out of lockdown trade took longer to build and never reached previous levels however we found ways to safely maintain a service to all our areas.

We were successful in attracting funds through the Pivotal Enterprise Resilience Fund and made use of the furlough scheme to retain the large majority of our staff. Along with fresh funding from our supporting lenders we have maintained a "near normal" operation which we believe will prove to be robust for post virus trade when it returns.

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Heritable property	2.5% on cost and not provided (land)
Improvements to property	2.5% on cost
Plant and machinery	10% on cost
Office equipment	10% on cost
Computers	25% on cost
Motor vehicles	25% on cost, 20% on cost and 16.67% on cost
Registration plates	2% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Borrowing costs related to fixed assets

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

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.10 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.

1.11 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 statement of financial position 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.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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.

1.12 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.

1.13 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 income statement 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.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 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.

1.19 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 Judgements and key sources of estimation uncertainty

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

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the fair value of investment property, depreciation rates, the provision against bad debts, the provision against obsolete stock and the fair value of goodwill. Each estimate has been considered by the directors, and the basis for the estimate has been deemed to be reasonable.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of goods	13,754,957	12,939,631
Haulage	156,769	157,252
Shop sales	118,748	99,459
	<u>14,030,475</u>	<u>13,196,342</u>
Analysis per statutory database	14,030,474	13,196,342
Statutory database analysis does not agree to the trial balance by:	1	-
	2019	2018
	£	£
Other significant revenue		
Rent receivable	46,960	51,960
Sundry income	4,000	-
	<u>50,960</u>	<u>51,960</u>

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3	Turnover and other revenue	(Continued)	
		2019	2018
		£	£
	Turnover analysed by geographical market		
	United Kingdom	13,765,991	12,983,720
	Rest of the world	264,484	212,622
		<u>14,030,475</u>	<u>13,196,342</u>
4	Operating profit	2019	2018
		£	£
	Operating profit for the year is stated after charging:		
	Depreciation of tangible fixed assets	203,591	222,701
	Loss on disposal of tangible fixed assets	10,572	168
	Amortisation of intangible assets	13,175	18,600
	Operating lease charges	18,533	18,533
		<u>245,871</u>	<u>260,002</u>
5	Auditor's remuneration	2019	2018
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	8,670	8,505
	For other services		
	All other non-audit services	4,135	3,875
		<u>12,805</u>	<u>12,380</u>
6	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2019	2018
		Number	Number
	Production staff	68	65
	Distribution staff	38	34
	Administration staff	16	16
		<u>122</u>	<u>115</u>

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Employees

(Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,715,241	2,503,490
Social security costs	218,157	205,140
Pension costs	76,686	66,798
	<u>3,010,084</u>	<u>2,775,428</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	310,960	245,033
Company pension contributions to defined contribution schemes	4,613	5,613
	<u>315,573</u>	<u>250,646</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	<u>107,666</u>	<u>106,514</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts	1,311	931
Other interest on financial liabilities	-	287
	<u>1,311</u>	<u>1,218</u>
Other finance costs:		
Interest on finance leases	13,263	(1,637)
Other interest	483	2,709
	<u>15,057</u>	<u>2,290</u>

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	64,141
Deferred tax		
Origination and reversal of timing differences	50,790	3,552
Total tax charge	50,790	67,693

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:

	2019 £	2018 £
Profit before taxation	281,305	331,050
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	53,448	62,900
Tax effect of expenses that are not deductible in determining taxable profit	-	1,044
Movement in pension fund accrual leading to a decrease/(increase) in taxation	39	250
Short term timing difference leading to an increase in taxation	50,790	3,552
Capital allowances in excess of depreciation	(14,391)	(53)
Utilisation of tax losses	(39,096)	-
Taxation charge for the year	50,790	67,693

Factors affecting tax charge for the year

The tax charge for the period has been calculated on the taxable profits at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

10 Dividends

	2019 £	2018 £
Final paid	-	100,000

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2019 and 31 December 2019	159,502
Amortisation and impairment	
At 1 January 2019	146,327
Amortisation charged for the year	13,175
At 31 December 2019	159,502
Carrying amount	
At 31 December 2019	-
At 31 December 2018	13,175

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

	Heritable property £	Improvements to property £	Plant and machinery £	Office equipment £	Computers £	Motor vehicles £	Registration plates £	Total £
Cost								
At 1 January 2019	1,004,409	36,649	305,575	34,155	243,221	1,051,842	17,483	2,693,334
Additions	-	30,500	28,451	11,076	7,718	337,334	-	415,079
Disposals	-	-	(28,160)	(8,880)	(66,950)	(139,600)	-	(243,590)
At 31 December 2019	1,004,409	67,149	305,866	36,351	183,989	1,249,576	17,483	2,864,823
Depreciation and impairment								
At 1 January 2019	197,037	10,027	247,733	31,950	202,341	587,768	1,400	1,278,256
Depreciation charged in the year	18,729	980	13,954	1,722	25,806	142,050	350	203,591
Eliminated in respect of disposals	-	-	(28,040)	(8,880)	(66,950)	(121,815)	-	(225,685)
At 31 December 2019	215,766	11,007	233,647	24,792	161,197	608,003	1,750	1,256,162
Carrying amount								
At 31 December 2019	788,643	56,142	72,219	11,559	22,792	641,573	15,733	1,608,661
At 31 December 2018	807,372	26,622	57,842	2,205	40,880	464,074	16,083	1,415,078

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Motor vehicles	485,432	390,017

Included in cost of heritable property is freehold land of £255,250 (2018 - £255,250) which is not depreciated.

13 Investment property

2019
£

Fair value

At 1 January 2019 and 31 December 2019

501,133

Investment property was valued at fair value by Graham & Sibbald on the 4th December 2015 in accordance with the RICS Valuation Professional Standards 2014 and International Valuation Standards. The directors consider this valuation to still be representative of fair value as at 31 December 2019.

14 Stocks

2019
£

2018
£

Finished goods and goods for resale	390,367	365,688
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There is no material difference between the replacement cost of stock and their Statement of Financial Position amounts.

15 Debtors

2019
£

2018
£

Amounts falling due within one year:

Trade debtors	840,968	863,527
Corporation tax recoverable	9,937	9,937
Other debtors	73,677	66,646
Prepayments and accrued income	139,768	72,117
	1,064,350	1,012,227

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	19	120,418	100,335
Other borrowings	18	61,809	-
Trade creditors		806,576	722,222
Corporation tax		-	64,141
Other taxation and social security		103,720	82,870
Other creditors		3,433	90,535
Accruals and deferred income		114,451	86,683
		<u>1,210,407</u>	<u>1,146,786</u>

17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	19	272,977	221,727
Other borrowings	18	288,233	-
		<u>561,210</u>	<u>221,727</u>

Finance lease creditors are secured over the assets concerned.

The other loan is secured by a floating charge which covers all the property or undertakings of the company.

18 Loans and overdrafts

	2019 £	2018 £
Other loans	350,042	-
	<u>350,042</u>	<u>-</u>
Payable within one year	61,809	-
Payable after one year	288,233	-
	<u>350,042</u>	<u>-</u>

Interest is paid on other loans at a fixed rate of 7% per annum.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Finance lease obligations

	2019	2018
	£	£
Future minimum lease payments due under finance leases:		
Within one year	120,418	100,335
In two to five years	272,977	221,727
	<u>393,395</u>	<u>322,062</u>

The finance lease contracts above are in relation to motor vehicles.

20 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	887,570	887,989
	<u>887,570</u>	<u>887,989</u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,667,897	1,221,502
	<u>1,667,897</u>	<u>1,221,502</u>

Financial assets that are measured at amortised cost comprise trade debtors, other debtors, and directors' current account.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, hire purchase contracts, other borrowings, directors' current account and accruals.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	126,025	76,504
Other short term timing differences	205	(1,064)
	<u>126,230</u>	<u>75,440</u>
		2019
		£
Movements in the year:		
Liability at 1 January 2019		75,440
Charge to profit or loss		50,790
		<u>126,230</u>
Liability at 31 December 2019		<u>126,230</u>

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
2,000 (2018 - 2,000) Ordinary shares of £1 each	2,000	2,000

Each share is entitled to one vote in any circumstance and each share is also entitled pari passu to dividend payments or any other distribution, including distribution arising from a winding up order.

23 Reserves

Capital redemption reserve

The capital redemption reserve relates to the equity component of shares bought back by the company in prior years.

Profit and loss account

The retained earnings account includes all current and prior year retained profits or losses less dividends paid.

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	-	203,934

25 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	76,686	66,798

The company operates on a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £12,798 (2018 - £12,593) were payable to the fund at the reporting date and are included in creditors.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	1,544	1,544

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2019 £	2018 £
Within one year	46,960	46,960
Between two and five years	580	47,540
	47,540	94,500

27 Events after the reporting date

After the year end, the operations were affected by COVID-19, the impact of which is discussed within the Strategic Report.

28 Related party transactions

Transactions with related parties

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

	Sales		Purchases	
	2019 £	2018 £	2019 £	2018 £
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	1,041,748	280,689	602	69
Northern Corries Limited - a company in which G Williamson is a director and shareholder	138,676	-	-	-

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due to related parties		
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	496	-

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

28 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due from related parties		
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	30,537	25,965
Northern Corries Limited - a company in which G Williamson is a director and shareholder	11,689	-

J A Robertson & Co (Fruiters) Limited 1986 Retirement Benefit Scheme Company Pension Scheme

An annual rent of £40,000 (2018 - £48,000) has been charged to the company for the use of its premises at 5 Walker Road by the pension scheme.

A new loan was taken out in the year of £355,000 (2018 - £nil). At the year end a balance of £350,041 (2018 - £nil) was included in creditor. Interest was charged on this balance at 7% per annum on outstanding balances totalling £2,071 (2018 - £nil) in the year.

29 Directors' transactions

During the year the company paid expenses on behalf of the directors of £21,665 (2018 - £18,342) and the directors introduced funds to the company of £21,511 (2018 - £17,703). The directors also withdrew £100,000 (2018 - £nil) from the company during the year.

During the year the directors paid for business expenses of £17,882 (2018 - £20,328) personally and were reimbursed. The balance outstanding at the year end was £1,170 (2018 - £2,276) and this amount was included within trade creditors.

The maximum overdrawn amount on the directors' current account during the year was £40,069 (2018 - £59,617). Directors' current accounts are repayable in cash in accordance with normal business terms.

Amount due to the directors as at the year end was £nil (2018 - £74,829) and is included within other creditors.

Amount due from the directors as at the year end was £40,069 (2018 - £15,212) and is included within other debtors.

THE WILLIAMSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

30 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	230,515	263,357
Adjustments for:		
Taxation charged	50,790	67,693
Finance costs	15,057	2,290
Loss on disposal of tangible fixed assets	10,572	168
Amortisation and impairment of intangible assets	13,175	18,600
Depreciation and impairment of tangible fixed assets	203,591	222,701
Movements in working capital:		
Increase in stocks	(24,679)	(31,778)
Increase in debtors	(52,123)	(20,609)
Increase in creditors	45,870	125,034
Cash generated from operations	492,768	647,456

31 Analysis of changes in net debt

	1 January 2019 £	Cash flows £	New finance leases £	31 December 2019 £
Cash at bank and in hand	164,051	427,199	-	591,250
Borrowings excluding overdrafts	-	(350,042)	-	(350,042)
Obligations under finance leases	(322,062)	131,999	(203,332)	(393,395)
	<u>(158,011)</u>	<u>209,156</u>	<u>(203,332)</u>	<u>(152,187)</u>