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Scott-Moncrieff
business advisers and accountants

THE WILLIAMSON GROUP LIMITED

Company registration number SC032547

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

THE WILLIAMSON GROUP LIMITED

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THE WILLIAMSON GROUP LIMITED

COMPANY INFORMATION

Directors	Mrs C A S Williamson G V Williamson J W Williamson M A Williamson
Company secretary	Mrs C A S Williamson
Registered number	SC032547
Registered office	5 Walker Road Longman Industrial Estate Inverness IV1 1TD
Independent auditor	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

Introduction

The directors present their strategic report for the year ended 31 December 2017.

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.

Business review

The company has enjoyed further growth in trading activity over the last year which has been influenced by a number of factors and sources including the continued appeal of the Highlands as a tourist destination and the companies continued efforts in rebranding and associated marketing activities.

Revenue from third party distribution and associated activities remained strong with small growth in this area. The company continued it's focus on re-selling and representation of Highlands and Islands food and drink producers during 2017.

There was an increase in operating costs with significant fleet renewals, competition in key areas influenced margins and expansion into additional properties for operational purposes which were previously contributing income added to cost of operations.

Principal risks and uncertainties

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.

Financial key performance indicators

Our Key Performance Indicators in 2018 will be sales, gross profit margin and wages margin.

Results

During the year turnover increased significantly to £11,959,735 (*2016 - £11,086,294*). Net cash generated from operating activities was £316,415 (*2016 - £518,323*) with profit before tax for the year being £378,357 (*2016 - £481,628*).

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.

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

....

G V Williamson
Director

Date: 13/9/18.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Directors

The directors who served during the year and up to the date of approval were:

Mrs C A S Williamson
G V Williamson
J W Williamson
M A Williamson

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

....
G V Williamson
Director

Date: 13\9\18.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

Opinion

We have audited the financial statements of The Williamson Group Limited for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the 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 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED (CONTINUED)

Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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: www.frc.org.uk/auditorsresponsibilities. The 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, as a body, 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.

Scott-Moncrieff

Allison Gibson (Senior Statutory Auditor)

for and on behalf of
Scott-Moncrieff, Statutory Auditor

Chartered Accountants

10 Ardross Street
Inverness
IV3 5NS

Date: 13 September 2018

THE WILLIAMSON GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	*2016* *£*
Turnover	4	**11,959,735**	*11,086,294*
Cost of sales		**(10,489,236)**	*(9,600,069)*
Gross profit		**1,470,499**	*1,486,225*
Administrative expenses		**(1,118,253)**	*(1,059,855)*
Other operating income	5	**56,148**	*86,641*
Operating profit	6	**408,394**	*513,011*
Interest payable and expenses	9	**(30,037)**	*(31,383)*
Profit before tax		**378,357**	*481,628*
Tax on profit	10	**(74,214)**	*(89,398)*
Profit for the financial year		**304,143**	*392,230*

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 35 form part of these financial statements.

THE WILLIAMSON GROUP LIMITED
REGISTERED NUMBER:SC032547

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note		2017 £		*2016 £*
Fixed assets					
Intangible assets	12		**31,775**		*50,375*
Tangible assets	13		**1,376,896**		*1,365,160*
Investment property	14		**501,133**		*501,133*
			1,909,804		*1,916,668*
Current assets					
Stocks	15	**333,910**		*260,261*	
Debtors: amounts falling due within one year	16	**981,681**		*907,090*	
Cash at bank and in hand		**161,803**		*221,262*	
		1,477,394		*1,388,613*	
Creditors: amounts falling due within one year	17	**(1,289,208)**		*(1,428,382)*	
Net current assets/(liabilities)			**188,186**		*(39,769)*
Total assets less current liabilities			**2,097,990**		*1,876,899*
Creditors: amounts falling due after more than one year	18		**(162,060)**		*(169,604)*
Provisions for liabilities					
Deferred tax	22	**(71,888)**		*(67,396)*	
			(71,888)		*(67,396)*
Net assets			**1,864,042**		*1,639,899*

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017**

	Note	2017 £	*2016 £*
Capital and reserves			
Called up share capital	23	**2,000**	*2,000*
Capital redemption reserve	24	**8,000**	*8,000*
Profit and loss account	24	**1,854,042**	*1,629,899*
		1,864,042	*1,639,899*

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

....

G V Williamson
Director

Date: 13/9/18.

The notes on pages 14 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2,000	8,000	1,351,669	1,361,669
Comprehensive income for the year				
Profit for the year	-	-	392,230	392,230
Dividends: Equity capital	-	-	(114,000)	(114,000)
At 1 January 2017	2,000	8,000	1,629,899	1,639,899
Comprehensive income for the year				
Profit for the year	-	-	304,143	304,143
Dividends: Equity capital	-	-	(80,000)	(80,000)
At 31 December 2017	2,000	8,000	1,854,042	1,864,042

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	*2016* *£*
Cash flows from operating activities		
Profit for the financial year	**304,143**	*392,230*
Adjustments for:		
Amortisation of intangible assets	**18,600**	*18,600*
Depreciation of tangible assets	**196,729**	*170,891*
Profit on disposal of tangible assets	**(3,601)**	*(9,000)*
Interest paid	**30,037**	*31,383*
Taxation charge	**74,214**	*89,398*
(Increase) in stocks	**(73,649)**	*(18,468)*
(Increase) in debtors	**(71,876)**	*(23,774)*
(Increase) in amounts owed by participating interests	**(2,715)**	*(4,495)*
(Decrease) in creditors	**(56,524)**	*(60,648)*
Corporation tax (paid)	**(98,943)**	*(67,794)*
Net cash generated from operating activities	**316,415**	*518,323*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(40,766)**	*(21,410)*
Sale of tangible fixed assets	**8,755**	*9,000*
HP interest paid	**(18,855)**	*(16,067)*
Net cash used in investing activities	**(50,866)**	*(28,477)*
Cash flows from financing activities		
Repayment of loans	**(113,496)**	*(113,494)*
Repayment of/new finance leases	**(120,330)**	*(94,765)*
Dividends paid	**(80,000)**	*(114,000)*
Interest paid	**(11,182)**	*(15,316)*
Net cash used in financing activities	**(325,008)**	*(337,575)*
Net (decrease)/increase in cash and cash equivalents	**(59,459)**	*152,271*
Cash and cash equivalents at beginning of year	**221,262**	*68,991*
Cash and cash equivalents at the end of year	**161,803**	*221,262*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**161,803**	*221,262*
	161,803	*221,262*

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The continuing activity of The Williamson Group Limited ("the company") is that of wholesaling and retailing food and related produce, with haulage operations being carried out ancillary to this trade.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC032547.

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 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).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company has sufficient financial resources. The directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus they continue to operate the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

Revenue 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 revenue 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Amortisation is provided on the following bases:

Goodwill	-	20 % on cost

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, or, if held under a finance lease, over the lease term, whichever is the shorter.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

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.

At each reporting 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. Accounting policies (continued)

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 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 loans to related parties.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2. Accounting policies (continued)

2.11 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.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.15 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.17 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 Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

The company also operates a self-invested personal pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.19 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.20 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 Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.21 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position 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 difference between the fair values of assets acquired and the future tax deductions available for them and the difference 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 reporting date.

3. Judgements in applying accounting policies 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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	*2016 £*
Sale of goods	**11,814,059**	*10,947,334*
Haulage	**145,676**	*138,960*
	11,959,735	*11,086,294*

Analysis of turnover by country of destination:

	2017 £	*2016 £*
United Kingdom	**11,747,937**	*10,781,462*
Rest of the world	**211,798**	*304,832*
	11,959,735	*11,086,294*

5. Other operating income

	2017 £	*2016 £*
Rents receivable	**54,460**	*86,641*
Sundry income	**1,688**	-
	56,148	*86,641*

6. Operating profit

The operating profit is stated after charging:

	2017	*2016*
	£	*£*
Equipment hire	**47,844**	*18,784*
Depreciation - owned assets	**94,492**	*100,350*
Depreciation - assets on hire purchase	**102,237**	*70,541*
Profit on disposal of fixed assets	**(3,601)**	*(9,000)*
Goodwill - amortisation charge	**18,600**	*18,600*
Auditors Remuneration - audit fee	**8,100**	*8,150*
Auditors Remuneration - non-audit fee	**3,875**	*3,225*
Rent - operating leases	**18,533**	*18,533*

7. Employees

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

	2017	*2016*
	£	*£*
Wages and salaries	**2,253,042**	*2,058,144*
Social security costs	**188,460**	*165,785*
Pension costs	**60,019**	*55,662*
	2,501,521	*2,279,591*

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

	2017	*2016*
	No.	*No.*
Production staff	**75**	*67*
Distribution staff	**23**	*23*
Administration staff	**12**	*12*
	110	*102*

8. Directors' remuneration

	2017 £	*2016 £*
Directors' emoluments	**249,157**	*238,927*
Company contributions to defined contribution pension schemes	**5,317**	*7,981*
	254,474	*246,908*

During the year retirement benefits were accruing to 3 directors *(2016 - 4)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £104,403 *(2016 - £101,475)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £296 *(2016 - £2,368)*.

	2017 £	*2016 £*
Key management personnel		
Directors' salaries	**249,157**	*238,927*
Directors' national insurance	**28,495**	*27,640*
Directors' pension	**5,317**	*7,981*
	282,969	*274,548*

9. Interest payable and similar charges

	2017 £	*2016 £*
Bank interest	**4,769**	*8,885*
Pension loan interest	**6,413**	*6,431*
Finance leases and hire purchase contracts interest	**18,855**	*16,067*
	30,037	*31,383*

10. Taxation

	2017 £	*2016 £*
Corporation tax		
Current tax on profits for the year	69,722	*98,943*
Total current tax	69,722	*98,943*
Deferred tax		
Origination and reversal of timing differences	4,492	*(9,545)*
Total deferred tax	4,492	*(9,545)*
Taxation on profit on ordinary activities	74,214	*89,398*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2016 - lower than)* the standard rate of corporation tax in the UK of 19.2466% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016 £*
Profit on ordinary activities before tax	378,357	*481,628*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.2466% (2016 - 20%)	72,821	*96,326*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,472	*1,517*
Capital allowances for year in excess of depreciation	(4,661)	*1,100*
Decrease in pension fund prepayment leading to a (decrease) in tax	(910)	*-*
Short term timing difference leading to an increase (decrease) in taxation	4,492	*(9,545)*
Total tax charge for the year	74,214	*89,398*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2017	*2016*
	£	*£*
Ordinary shares of £1 each	**80,000**	*114,000*
	80,000	*114,000*

12. Intangible assets

	Goodwill
	£
Cost	
At 1 January 2017	**159,502**
At 31 December 2017	**159,502**
Amortisation	
At 1 January 2017	**109,127**
Charge for the year	**18,600**
At 31 December 2017	**127,727**
Net book value	
At 31 December 2017	**31,775**
At 31 December 2016	*50,375*

13. Tangible fixed assets

	Heritable property £	Improvements to property £	Plant and machinery £	Motor vehicles £
Cost				
At 1 January 2017	1,004,409	36,649	288,526	831,231
Additions	-	-	1,000	207,960
Disposals	-	-	-	(131,727)
At 31 December 2017	1,004,409	36,649	289,526	907,464
Depreciation				
At 1 January 2017	159,579	8,195	203,807	542,966
Charge for the year on owned assets	18,729	916	20,828	30,630
Charge for the year on financed assets	-	-	-	84,996
Disposals	-	-	-	(126,573)
At 31 December 2017	178,308	9,111	224,635	532,019
Net book value				
At 31 December 2017	826,101	27,538	64,891	375,445
At 31 December 2016	*844,830*	*28,454*	*84,719*	*288,265*

13. Tangible fixed assets (continued)

	Office equipment £	Computer equipment £	Registration plates £	Total £
Cost				
At 1 January 2017	34,155	220,073	17,483	2,432,526
Additions	-	4,659	-	213,619
Disposals	-	-	-	(131,727)
At 31 December 2017	34,155	224,732	17,483	2,514,418
Depreciation				
At 1 January 2017	28,444	123,675	700	1,067,366
Charge for the year on owned assets	1,753	21,286	350	94,492
Charge for the year on financed assets	-	17,241	-	102,237
Disposals	-	-	-	(126,573)
At 31 December 2017	30,197	162,202	1,050	1,137,522
Net book value				
At 31 December 2017	3,958	62,530	16,433	1,376,896
At 31 December 2016	*5,711*	*96,398*	*16,783*	*1,365,160*

Included in cost of heritable property is freehold land of £255,250 (2016 - £255,250) which is not depreciated.

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	*2016 £*
Motor vehicles	311,381	*237,578*
Computer equipment	21,157	*38,399*
	332,538	*275,977*

14. Investment property

	Investment property £
Valuation	
At 1 January 2017	501,133
At 31 December 2017	**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 at 31 December 2017.

15. Stocks

	2017 £	*2016 £*
Goods for resale	333,910	*260,261*
	333,910	*260,261*

Stock recognised in cost of sales during the year as an expense was £7,577,344 *(2016 - £6,986,994)*.

There is no material difference between the replacement cost of stock and their Statement of financial position amounts.

16. Debtors

	2017 £	*2016 £*
Trade debtors	**788,880**	*738,056*
Directors' current account	**39,933**	*39,744*
Other debtors	**11,750**	*9,035*
VAT	**32,017**	*24,149*
Prepayments and accrued income	**99,165**	*86,170*
Tax recoverable	**9,936**	*9,936*
	981,681	*907,090*

An allowance for estimated irrecoverable amounts of trade debtors of £15,584 (*2016 - £22,441*) was recognised in administrative expenses during the year. The allowance for estimated irrecoverable amounts of trade debtors has been determined by reference to past default experience and information on specific balances outside trade terms and is calculated by reference to the present value of anticipated future proceeds.

17. Creditors: Amounts falling due within one year

	2017 £	*2016 £*
Bank loans	**33,731**	*113,496*
Other loans	**200,000**	*200,000*
Trade creditors	**718,087**	*753,771*
Corporation tax	**69,722**	*98,943*
Other taxation and social security	**56,576**	*56,021*
Hire purchase contracts	**128,479**	*102,143*
Accruals and deferred income	**82,613**	*104,008*
	1,289,208	*1,428,382*

18. Creditors: Amounts falling due after more than one year

	2017 £	*2016* *£*
Bank loans	-	*33,731*
Hire purchase contracts	**162,060**	*135,873*
	162,060	*169,604*

Secured loans

The bank term loan is secured by standard securities over the company's heritable property and by a bond and floating charge over the whole company's assets. Hire purchase creditors are secured over the assets concerned.

19. Loans

Analysis of the maturity of loans is given below:

	2017 £	*2016* *£*
Amounts falling due within one year		
Bank loans	**33,731**	*113,496*
Other loans	**200,000**	*200,000*
	233,731	*313,496*
Amounts falling due 1-2 years		
Bank loans	-	*33,731*
	-	*33,731*
	233,731	*347,227*

Interest paid on one of the bank loans was fixed until 28 February 2018 at 4.65%. The other bank loan pays interest at 1.75% over LIBOR varying in line with current interest rates. This was negotiated at arms length at the time of the agreement and was fixed for the duration of the loan.

Interest is paid on the pension loan at a fixed rate of 4% per annum.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	*2016* *£*
Within one year	**128,479**	*102,143*
Between 1-5 years	**162,060**	*135,873*
	290,539	*238,016*

The hire purchase contracts above are in relation to motor vehicles and computer equipment.

21. Financial instruments

	2017 £	*2016* *£*
Financial assets		
Financial assets measured at amortised cost	**840,563**	*786,835*
	840,563	*786,835*
Financial liabilities		
Financial liabilities measured at amortised cost	**1,324,970**	*1,443,022*
	1,324,970	*1,443,022*

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, loans, hire purchase contracts and accruals.

22. Deferred taxation

	2017 £	*2016* *£*
At beginning of year	**67,396**	*76,941*
Charged to profit or loss	**4,492**	*(9,545)*
At end of year	**71,888**	*67,396*

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	*2016* *£*
Accelerated capital allowances	**72,729**	*67,396*
Other short term timing differences	**(841)**	-
	71,888	*67,396*

23. Share capital

	2017 £	*2016* *£*
Allotted, called up and fully paid		
2,000 Ordinary shares of £1 each	**2,000**	*2,000*

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

24. 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.

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £60,019 (*2016 - £55,662*). Contributions totalling £9,958 (*2016 - £9,677*) were payable to the fund at the reporting date and are included in accruals and deferred income.

26. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	*2016* *£*
Not later than 1 year	**1,544**	*1,544*
	1,544	*1,544*

At 31 December 2017 the company had future minimum lease income under non-cancellable operating leases as follows:

	2017 £	*2016* *£*
Not later than 1 year	**46,960**	*46,960*
Later than 1 year and not later than 5 years	**94,500**	*141,460*
	141,460	*188,420*

The above operating lease income is in relation toproperties owned by the company that are leased out.

27. Related party transactions

C Williamson
Company director

During the year the company paid expenses on behalf of C Williamson of £3,981 (*2016 - £1,441*) and C Williamson introduced funds to the company of £3,981 (*2016 - £1,441*). Dividends were paid to C Williamson during the year of £40,000 (*2016 - £36,000*).

An annual rental of £6,750 (*2016 - £9,000*) has been charged to the company for usage of an industrial unit in Muir of Ord owned by C Williamson. The balance outstanding at the year end in relation to this was £nil (*2016 - £nil*).

The maximum overdrawn amount on C Williamson's directors current account during the year was £3,981 (*2016 - £1,441*). Directors current accounts are repayable in cash in accordance with normal business terms.

Amount due to related party as at the year end was £nil (*2016 - £nil*).

M A Williamson
Company director

During the year the company paid expenses on behalf of M Williamson of £5,810 (*2016 - £5,771*) and M Williamson introduced funds to the company of £5,621 (*2016 - £5,771*). Dividends were paid to M Williamson during the year of £20,000 (*2016 - £36,000*).

During the year M Williamson paid for business expenses of £14,281 (*2016 - £12,283*) personally and was reimbursed. The balance outstanding at the year end was £880 (*2016 - £1,080*) and this amount was included within trade creditors.

The maximum overdrawn amount on M Williamson's directors current account during the year was £45,555 (*2016* - £45,515). Directors current accounts are repayable in cash in accordance with normal business terms.

Amount due from related party as at the year end was £39,933 (*2016 - £39,744*).

Barnyards Farm
A business owned by M A Williamson

An annual rent of £6,000 (*2016 - £6,000*) has been charged to the company for storage by Barnyards Farm.

G Williamson
Company director

During the year the company paid expenses on behalf of G Williamson of £4,770 (2016 - £3,443) and G Williamson introduced funds to the company of £4,770 (2016 - £3,443). Dividends were paid during the year of £20,000 (2016 - £48,000).

During the year G Williamson paid for business expenses of £6,545 (2016 - £7,635) personally and was reimbursed. The balance outstanding at the year end was £1,392 (2016 - £1,459) and this amount was included within trade creditors.

The maximum overdrawn amount on G Williamson's directors current account during the year was £4,770 (2016 - £3,443). Directors current accounts are repayable in cash in accordance with normal business terms.

Amount due to related party as at the year end was £nil (2016 - £nil).

J Williamson
Company director

During the year the company paid expenses on behalf of J Williamson of £1,750 (2016 - £390) and J Williamson introduced funds to the company of £1,750 (2016 - £390).

The maximum overdrawn amount on J Williamson's directors current account during the year was £1,750 (2016 - £390). Directors current accounts are repayable in cash in accordance with normal business terms.

Amount due to related party as at the year end was £nil (2016 - £nil).

Corner on the Square Ltd
A company in which G V Williamson is a director

During the year the company supplied goods worth £268,983 (2016 - £254,097) to Corner on the Square Ltd. Included in trade debtors at the year end is a balance of £26,531 (2016 - £20,917) due by Corner on the Square Ltd. During the year Corner on the Square Ltd raised invoices to The Williamson Group totalling £208 (2016 - £9,509). Included in trade creditors at the year end is a balance of £nil (2016 - £157) due to Corner on the Square Ltd.

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

An annual rent of £48,000 (2016 - £48,000) has been charged to the company for the use of its premises at 5 Walker Road by the pension scheme.

At the year end a balance of £200,000 (2016 - £200,000) was included in creditors due within one year. Interest was charged on this balance at 4% per annum on outstanding balances totalling £6,413 (2016 - £6,431) in the year. The loan is repayable on demand.