Company Registration No. SC032547 (Scotland)

THE WILLIAMSON GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 United Kingdom IV1 1TD
Auditor	Azets Audit Services Chartered Accountants 10 Ardross Street Inverness United Kingdom IV3 5NS

THE WILLIAMSON GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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
Throughout 2020 the business suffered a major impact on it's sales due to the covid pandemic. This was further impacted with the effects on procurement of stock and supplies caused by Brexit. This impact was felt even after lockdown had ended as customers organised themselves for trade and visitors began to return to the Highlands and Islands.

Despite these setbacks and the impact on turnover the company performed well with customer retention remaining extremely high and a significant number of new accounts adding to the sales opportunity. The procurement team made an excellent job of maintaining product availability in challenging circumstances which reflected in sales growth and positive sentiment from our customer base.

The company made use of the government backed furlough scheme throughout the lockdown which assisted in retaining staff whilst keeping cost control tight throughout the year.

The company made an effort during 2020 to consolidate it's product range and not to extend the offering beyond what it could manage or offer without impacting on the high services levels it has maintained. Planning and discussions with new and existing suppliers have identified several key areas where it hopes to gain future sustainable growth.

Principal Risks and Uncertainties
The company operates in a fiercely competitive market and is always exposed to price risk. The company works tirelessly with it's supply partners to ensure continuity of supplies and fair bargaining with regards prevailing pricing. We are proud of these relationships which are central to our offering and sustainability.

We are exposed to credit risk however this is offset with retained financial resources and a comprehensive payment system utilising card and direct debit payments.

The continued uncertainty with our relationship with Europe will affect supplies and where necessary we carry additional buffer stocks and plan for alternative supply across all core ranges.

The business is largely dependent on visitors to the Highlands. Freedom of travel is therefore a pre-requisite to achieving sales targets. This risk remains outside the companies control however contingency planning includes methods of scaling costs and reducing fixed costs where possible.

Financial key performance indicators
Our Key Performance Indicators in 2021 will be sales, gross profit margin and wages margin.

Results
During the year turnover decreased significantly to £10,100k (2019 - £14,030k). Net cash generated from operating activities was £92k (2019 - £414k) with loss before tax for the year being £100k (2019 - profit of £281k).

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

Gary Williamson

G V Williamson
Director

Date: 29th September 2021

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

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.

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
C A S Williamson

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

On behalf of the board

Gary Williamson

G V Williamson
Director

Date: 29th September 2021

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 2020 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE WILLIAMSON GROUP LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

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

Date: 29-09-21

Chartered Accountants
Statutory Auditor

10 Ardross Street
Inverness
United Kingdom
IV3 5NS

THE WILLIAMSON GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	10,100,228	14,030,475
Cost of sales		(9,698,953)	(12,432,462)
Gross profit		401,275	1,598,013
Administrative expenses		(1,149,085)	(1,352,611)
Other operating income	3	683,660	50,960
Operating (loss)/profit	4	(64,150)	296,362
Interest payable and similar expenses	8	(36,223)	(15,057)
(Loss)/profit before taxation		(100,373)	281,305
Tax on (loss)/profit	9	(38,598)	(50,790)
(Loss)/profit for the financial year		(138,971)	230,515
Retained earnings brought forward		2,247,914	2,017,399
Retained earnings carried forward		2,108,943	2,247,914

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 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		1,665,561		1,608,661
Investment properties	12		501,133		501,133
			2,166,694		2,109,794
Current assets					
Stocks	13	271,585		390,367	
Debtors	14	991,517		1,064,350	
Cash at bank and in hand		1,162,606		591,250	
		2,425,708		2,045,967	
Creditors: amounts falling due within one year	15	(1,129,133)		(1,210,407)	
Net current assets			1,296,575		835,560
Total assets less current liabilities			3,463,269		2,945,354
Creditors: amounts falling due after more than one year	16		(1,188,921)		(561,210)
Provisions for liabilities	20		(155,405)		(126,230)
Net assets			2,118,943		2,257,914
Capital and reserves					
Called up share capital	21		2,000		2,000
Capital redemption reserve	22		8,000		8,000
Profit and loss reserves	22		2,108,943		2,247,914
Total equity			2,118,943		2,257,914

The financial statements were approved by the board of directors and authorised for issue on 29.09.21 and are signed on its behalf by:

Gary Williamson

G V Williamson
Director

Company Registration No. SC032547

THE WILLIAMSON GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**26**		167,472		492,768
Interest paid			(36,223)		(15,057)
Income taxes paid			(39,096)		(64,141)
Net cash inflow from operating activities			92,153		413,570
Investing activities					
Purchase of tangible fixed assets		(64,947)		(211,747)	
Proceeds on disposal of tangible fixed assets		-		7,333	
Net cash used in investing activities			(64,947)		(204,414)
Financing activities					
Proceeds from borrowings		-		355,000	
Repayment of borrowings		(61,808)		(4,958)	
Proceeds of new bank loans		750,000		-	
Payment of finance leases obligations		(144,042)		(131,999)	
Net cash generated from financing activities			544,150		218,043
Net increase in cash and cash equivalents			571,356		427,199
Cash and cash equivalents at beginning of year			591,250		164,051
Cash and cash equivalents at end of year			1,162,606		591,250

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

In common with most businesses the company is facing issues in respect of the COVID-19 pandemic. This is an ongoing situation and the company is adopting a strategy to manage the everchanging situation as effectively as possible.

The directors are satisfied that these events do not affect the company's ability to continue as a going concern and this basis is appropriate for the preparation of the accounts.

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.

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.

Other income is recognised when it is receivable by the company.

1 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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 cost and replacement 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.

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.

1 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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 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.

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.

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 Accounting policies **(Continued)**

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

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

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 Accounting policies **(Continued)**

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 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 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

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	9,861,610	13,795,916
Haulage	86,331	156,769
Shop sales	152,287	77,790
	10,100,228	14,030,475

	2020	2019
	£	£
Other significant revenue		
Pivotal Enterprise Resilience Fund	100,000	-
Scottish Wholesale Food and Drink Resilience Fund	166,000	-
Coronavrius Job Retention Scheme Grant	351,024	-
Rent receivable	46,960	46,960
Sundry income	19,676	4,000

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	9,852,293	13,765,992
Rest of the world	247,935	264,483
	10,100,228	14,030,475

4 Operating (loss)/profit

	2020	2019
Operating (loss)/profit for the year is stated after charging/(crediting):	£	£
Government grants	(617,024)	-
Depreciation of tangible fixed assets	214,424	203,591
Loss on disposal of tangible fixed assets	-	10,572
Amortisation of intangible assets	-	13,175
Operating lease charges	20,386	18,533

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	9,700	8,670
For other services		
All other non-audit services	4,260	4,135

6 Employees

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

	2020	2019
	Number	Number
Production staff	60	68
Distribution staff	37	38
Administration staff	15	16
Total	112	122

6 Employees (Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,472,736	2,715,241
Social security costs	195,711	218,157
Pension costs	69,453	76,686
	2,737,900	3,010,084

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	222,435	310,960
Company pension contributions to defined contribution schemes	565	4,613
	223,000	315,573

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

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

	2020	2019
	£	£
Remuneration for qualifying services	128,495	107,666

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts	618	1,311
Other finance costs:		
Interest on finance leases	14,648	13,263
Other interest	20,957	483
	36,223	15,057

9 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	9,423	-

9 Taxation (Continued)

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	29,175	50,790
Total tax charge	38,598	50,790

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

	2020	2019
	£	£
(Loss)/profit before taxation	(100,373)	281,305
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(19,071)	53,448
Movement in pension fund accrual leading to an (increase)/decrease in taxation	(131)	39
Short term timing difference leading to an increase in taxation	29,175	50,790
Capital allowances in excess of depreciation	(10,811)	(14,391)
Utilisation of tax losses	39,096	(39,096)
Unutilised charitable donations	340	-
Taxation charge for the year	38,598	50,790

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% (2019 - 19%).

10 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	159,502
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	159,502
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

11 Tangible fixed assets

	Heritable property	Improvements to property	Plant and machinery	Office equipment	Computers	Motor vehicles	Registration plates	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2020	1,004,409	67,149	305,866	36,351	183,989	1,249,576	17,483	2,864,823
Additions	-	1,485	9,761	-	30,734	229,344	-	271,324
Disposals	-	-	-	-	(1,786)	(33,349)	-	(35,135)
At 31 December 2020	1,004,409	68,634	315,627	36,351	212,937	1,445,571	17,483	3,101,012
Depreciation and impairment								
At 1 January 2020	215,766	11,007	233,647	24,792	161,197	608,003	1,750	1,256,162
Depreciation charged in the year	18,729	1,703	12,433	1,604	14,251	165,354	350	214,424
Eliminated in respect of disposals	-	-	-	-	(1,786)	(33,349)	-	(35,135)
At 31 December 2020	234,495	12,710	246,080	26,396	173,662	740,008	2,100	1,435,451
Carrying amount								
At 31 December 2020	769,914	55,924	69,547	9,955	39,275	705,563	15,383	1,665,561
At 31 December 2019	788,643	56,142	72,219	11,559	22,792	641,573	15,733	1,608,661

11 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.

	2020	2019
	£	£
Motor vehicles	569,872	485,432

Included in cost of heritable property is freehold land of £255,250 (2019 - £255,250) which is not depreciated.

12 Investment property

	2020
	£
Fair value	
At 1 January 2020 and 31 December 2020	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 2020.

13 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	271,585	390,367

There is no material difference between the replacement cost of stock and the amounts noted in the Statement of Financial Position.

14 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	604,590	840,968
Corporation tax recoverable	39,610	9,937
Other debtors	230,114	73,677
Prepayments and accrued income	117,203	139,768
	991,517	1,064,350

15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	17	87,500	-
Obligations under finance leases	18	151,266	120,418
Other borrowings	17	66,277	61,809
Trade creditors		644,083	806,576
Taxation and social security		71,147	103,720
Other creditors		-	3,433
Accruals and deferred income		108,860	114,451
		1,129,133	1,210,407

16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans due 1 to 5 years	17	600,000	
Bank loans due over 5 years	17	62,500	-
Obligations under finance leases	18	304,464	272,977
Other borrowings	17	221,957	288,233
		1,188,921	561,210

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.

Bank loans are secured by a standard security over 2 Walker Road and 8 Burnett Road, Inverness, IV1 1TD and by a bond and floating charge over the assets of the company.

17 Loans and overdrafts

	2020 £	2019 £
Bank loans	750,000	-
Other loans	288,234	350,042
	1,038,234	350,042
Payable within one year	153,777	61,809
Payable after one year	884,457	288,233

17 Loans and overdrafts **(Continued)**

The company has a Coronavirus Business Interruption Loan with Bank of Scotland of £750,000. The loan is repayable over the period until May 2026 with repayments due to begin in June 2021. Interest is charged at Bank of England base rate plus 2.15%.

18 Finance lease obligations

Future minimum lease payments due under finance leases:	2020 £	2019 £
Within one year	151,266	120,418
In two to five years	304,464	272,977
	455,730	393,395

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

19 Deferred taxation

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

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	156,502	126,025
Other short term timing differences	(1,097)	205
	155,405	126,230

Movements in the year:	2020 £
Liability at 1 January 2020	126,230
Charge to profit or loss	29,175
Liability at 31 December 2020	155,405

20 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	69,453	76,686

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.

Contributions totalling £11,505 (*2019 - £12,798*) were payable to the fund at the reporting date and are included in creditors.

21 Share capital

Ordinary share capital	2020 Number	2019 Number	2020 £	2019 £
Issued and fully paid				
Ordinary shares of £1 each	2,000	2,000	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.

22 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.

23 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:

	2020 £	2019 £
Within one year	1,776	1,544

23 Operating lease commitments (Continued)

Lessor

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

	2020 £	2019 £
Within one year	580	46,960
Between two and five years	-	580
	580	47,540

24 Related party transactions

Transactions with related parties

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

	Sales 2020 £	Sales 2019 £	Purchases 2020 £	Purchases 2019 £
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	444,033	1,041,748	7,592	602
Northern Corries Limited - a company in which G Williamson is a director and shareholder	55,161	138,676	-	-
Black Isle BA Limited - a company in which G Williamson is a director and shareholder	69,131	-	-	-

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020 £	2019 £
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	45	496

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 £	2019 £
Corner on the Square Limited - a company in which G Williamson is a director and shareholder	38,249	30,537
Northern Corries Limited - a company in which G Williamson is a director and shareholder	4,141	11,689
Black Isle BA Limited - a company in which G Williamson is a director and shareholder	3,548	-

24 Related party transactions (Continued)

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

An annual rent of £115,000 (2019 - £40,000) 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 prior year of £355,000. At the year end a balance of £288,234 (2019 - £350,042) was included in creditors. Interest was charged on this balance at 7% per annum on outstanding balances totalling £20,957 (2019 - £2,071) in the year.

25 Directors' transactions

During the year the directors paid for business expenses of £15,347 (2019 - £17,882) personally and were reimbursed. The balance outstanding at the year end was £1,807 (2019 - £1,170) and this amount was included within trade creditors.

During the year the company paid expenses on behalf of the directors of £23,340 (2019 - £21,665) and the directors introduced funds to the company of £22,874 (2019 - £21,511). The directors also withdrew £nil (2019 - £100,000) from the company during the year.

The maximum overdrawn amount on the directors' current account during the year was £40,535 (2019 - £40,069). Directors' current accounts are repayable in cash in accordance with normal business terms.

Amount due from the directors as at the year end was £40,535 (2019 - £40,069) and is included within other debtors.

26 Cash generated from operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(138,971)	230,515
Adjustments for:		
Taxation charged	38,598	50,790
Finance costs	36,223	15,057
Loss on disposal of tangible fixed assets	-	10,572
Amortisation and impairment of intangible assets	-	13,175
Depreciation and impairment of tangible fixed assets	214,424	203,591
Movements in working capital:		
Decrease/(increase) in stocks	118,782	(24,679)
Decrease/(increase) in debtors	102,506	(52,123)
(Decrease)/increase in creditors	(204,090)	45,870
Cash generated from operations	167,472	492,768

27 Analysis of changes in net debt

	1 January 2020	Cash flows	New finance leases	31 December 2020
	£	£	£	£
Cash at bank and in hand	591,250	571,356	-	1,162,606
Borrowings excluding overdrafts	(350,042)	(688,192)	-	(1,038,234)
Obligations under finance leases	(393,395)	144,042	(206,377)	(455,730)
	(152,187)	27,206	(206,377)	(331,358)

THE WILLIAMSON GROUP LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019
	£	£	£	£
Turnover				
Sales		9,613,675		13,531,433
Haulage		86,331		156,769
Shop sales		152,287		77,790
Sales - outwith UK		247,935		264,483
		10,100,228		14,030,475
Cost of sales				
Opening stock	390,367		365,688	
Purchases and other direct costs				
Purchases	6,430,477		8,936,711	
Carriage	198,351		287,763	
Wages and salaries	2,097,829		2,236,279	
National insurance	153,664		167,920	
Pensions	64,591		67,369	
Packaging materials	43,647		66,323	
Test fees, licences ect	49,314		51,854	
Fuel	250,118		333,544	
Repairs	126,826		167,328	
Depreciation	165,354		142,050	
Total purchases and other direct costs	9,580,171		12,457,141	
Closing stock	271,585		390,367	
Total cost of sales		(9,698,953)		(12,432,462)
Gross profit	3.97%	401,275	11.39%	1,598,013
Other operating income				
Rent receivable	46,960		46,960	
Government grants receivable	266,000		-	
Coronavirus job retention scheme grant	351,024		-	
Sundry income	19,676		4,000	
		683,660		50,960

THE WILLIAMSON GROUP LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019
	£	£	£	£
Administrative expenses				
Wages and salaries	152,472		171,985	
Staff national insurance	11,573		12,559	
Staff pensions	4,297		4,704	
Directors' remuneration	222,435		306,977	
Directors' national insurance	30,474		37,678	
Directors' pensions	565		4,613	
Rent - operating leases	20,386		18,533	
Rent	128,188		81,618	
Rates and water	76,696		83,189	
Cleaning and waste disposal	44,378		52,442	
Light and heat	55,465		61,686	
Repairs and maintenance	15,378		25,999	
Computer costs	69,639		65,303	
Equipment hire	98,496		98,314	
Travel	1,312		6,954	
Postage and stationery	8,574		14,778	
Professional subscriptions	1,700		1,802	
Legal and professional fees	3,671		19,726	
Accountancy	13,860		12,815	
Charitable donations	1,789		8,778	
Bank charges	16,812		19,129	
Bad and doubtful debts	10,177		13,135	
Insurances	45,767		40,369	
Advertising	22,788		33,829	
Telecommunications	21,267		21,830	
Sundry expenses	21,856		48,578	
Amortisation	-		13,175	
Depreciation	49,070		61,541	
Loss on sale of tangible assets	-		10,572	
		(1,149,085)		(1,352,611)
Operating (loss)/profit		(64,150)		296,362
Interest payable and similar expenses				
Bank interest	618		1,311	
Finance lease interest	14,648		13,263	
Pension loan interest	20,957		483	
		(36,223)		(15,057)
(Loss)/profit before taxation	0.99%	(100,373)	2.00%	281,305