

**Strategic Report, Report of the Director and
Financial Statements for the Year Ended 28 February 2017
for
Allans of Gillock Limited**

Reid & Fraser
Statutory Auditors
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ



Allans of Gillock Limited (Registered number: SC099434)

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for the Year Ended 28 February 2017**

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Allans of Gillock Limited

**Company Information
for the Year Ended 28 February 2017**

DIRECTOR:

Mr R F Allan

REGISTERED OFFICE:

Gillock Mains
Watten
Caithness
KW1 5UR

REGISTERED NUMBER:

SC099434 (Scotland)

AUDITORS:

Reid & Fraser
Statutory Auditors
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

SOLICITORS:

Young Robertson & Co
29 Traill Street
Thurso
Caithness
KW14 8EQ

Allans of Gillock Limited (Registered number: SC099434)

**Strategic Report
for the Year Ended 28 February 2017**

The director presents his strategic report for the year ended 28 February 2017.

REVIEW OF BUSINESS

Allans of Gillock Ltd remains profitable in what was another challenging year. In order to maintain market share margins have been eroded as there has been a further decline in private sector building which has resulted in a decrease in the turnover of associated materials, this continues to be an increasingly competitive market and subsequently margins have suffered as a result. We do however continue to see further signs of growth in the agricultural and fencing sectors which we take encouragement from. The industrial site is still a project which the business continues to develop and steps are being taken to move this forward over the coming year. This will further enhance the diversity of the business and provide a solid base which will strengthen the company for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

Allans of Gillock Ltd are members of a buying group which has been a major contributor to the success of the business over the years and would create a challenge to overcome should the membership be jeopardised in anyway. We are confident however that this is a minimal risk as the group has a strong membership and works very much in the interests of its members. An area which the company would see as a potential risk is the reliance on certain key personnel who have specialist knowledge or expertise in a particular area and would create a vacuum should they decide to leave the business. The continuation of the business is the priority and steps are being taken to ensure there would be a smooth transition should this happen.

ANALYSIS OF PERFORMANCE

The monitoring of monthly sales by branch and category and relaying this to branch managers has allowed the managers to focus on specific areas and adjust margins accordingly. The introduction of a mechanism for monitoring the productivity in garden machinery servicing and repairs continues to bear fruit with increase in throughput and turnover year on year.

KEY PERFORMANCE INDICATORS

Gross profit is almost on a par with last year which is continued result of the margins being squeezed in order to maintain market share. We continue to monitor our overheads closely and actively look to review areas where savings can be made if necessary but we are finding this increasingly difficult to achieve.

ENVIRONMENTAL, EMPLOYEE AND SOCIAL MATTERS

Allans of Gillock Ltd takes its environmental responsibilities seriously and is currently recycling cardboard, paper and plastic at its own plant at the head office. We have extended this to encompass additional branches to fully utilise the resources available. We are also exploring areas which it is hoped will reduce our energy usage and carbon footprint.

Whilst employee turnover remains minimal due to our loyal and long serving staff it is fair to say that we are finding it increasingly difficult to recruit staff with the particular skills and attributes required. We envisage another challenging year ahead but we are a well-established business with a strong customer base and dedicated staff and this combination will ensure we are able to maintain our market share and take advantage of any opportunities afforded us in the coming year.

ON BEHALF OF THE BOARD:


.....

Mr R F Allan - Director

Date: 27.11.17

Allans of Gillock Limited (Registered number: SC099434)

**Report of the Director
for the Year Ended 28 February 2017**

The director presents his report with the financial statements of the company for the year ended 28 February 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of agricultural and builders' merchants.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2017.

DIRECTOR

Mr R F Allan held office during the whole of the period from 1 March 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

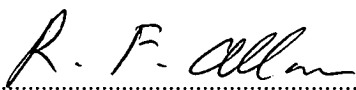
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:



Mr R F Allan - Director

Date: 27.11.17

Report of the Independent Auditors to the Members of Allans of Gillock Limited

We have audited the financial statements of Allans of Gillock Limited for the year ended 28 February 2017 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 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.

Opinion on other matter 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Director.

**Report of the Independent Auditors to the Members of
Allans of Gillock Limited**

Matters on which we are required to report by exception

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stuart Walker, BAcc CA (Senior Statutory Auditor)

for and on behalf of Reid & Fraser

Statutory Auditors

Chartered Accountants

15 Princes Street

Thurso

Caithness

KW14 7BQ

Date: 27.11.17

Allans of Gillock Limited (Registered number: SC099434)

**Income Statement
for the Year Ended 28 February 2017**

	Notes	2017 £	2016 £
TURNOVER		7,788,842	7,686,241
Cost of sales		<u>(5,952,500)</u>	<u>(5,879,896)</u>
GROSS PROFIT		1,836,342	1,806,345
Administrative expenses		<u>(1,563,427)</u>	<u>(1,515,151)</u>
		272,915	291,194
Other operating income		14,785	15,089
Gain/loss on revaluation of investment property		<u>93,790</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	4	381,490	306,283
Tax on profit	5	<u>(74,973)</u>	<u>(63,270)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>306,517</u></u>	<u><u>243,013</u></u>

The notes form part of these financial statements

Allans of Gillock Limited (Registered number: SC099434)

**Other Comprehensive Income
for the Year Ended 28 February 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		306,517	243,013
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>306,517</u>	<u>243,013</u>

The notes form part of these financial statements

Allans of Gillock Limited (Registered number: SC099434)

Balance Sheet
28 February 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	6	1,494,094	1,492,443
Investment property	7	350,000	256,210
		<u>1,844,094</u>	<u>1,748,653</u>
CURRENT ASSETS			
Stocks	8	3,436,303	3,231,076
Debtors	9	860,627	817,318
Investments	10	750	750
Cash at bank and in hand		1,001,825	811,983
		<u>5,299,505</u>	<u>4,861,127</u>
CREDITORS			
Amounts falling due within one year	11	(952,938)	(764,281)
NET CURRENT ASSETS		<u>4,346,567</u>	<u>4,096,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,190,661	5,845,499
CREDITORS			
Amounts falling due after more than one year	12	(16,235)	-
PROVISIONS FOR LIABILITIES	14	<u>(57,343)</u>	<u>(34,933)</u>
NET ASSETS		<u><u>6,117,083</u></u>	<u><u>5,810,566</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Fair value reserve	16	81,999	4,000
Retained earnings	16	5,985,084	5,756,566
SHAREHOLDERS' FUNDS		<u><u>6,117,083</u></u>	<u><u>5,810,566</u></u>

The financial statements were approved by the director on 27-11-17 and were signed by:

R. F. Allen
Mr R F Allan - Director

The notes form part of these financial statements

Allans of Gillock Limited (Registered number: SC099434)

**Statement of Changes in Equity
for the Year Ended 28 February 2017**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 March 2015	50,000	5,513,553	4,000	5,567,553
Changes in equity				
Total comprehensive income	-	243,013	-	243,013
Balance at 29 February 2016	50,000	5,756,566	4,000	5,810,566
Changes in equity				
Total comprehensive income	-	228,518	77,999	306,517
Balance at 28 February 2017	50,000	5,985,084	81,999	6,117,083

The notes form part of these financial statements

Allans of Gillock Limited (Registered number: SC099434)

**Cash Flow Statement
for the Year Ended 28 February 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	287,440	149,724
Tax paid		(54,611)	(68,094)
Net cash from operating activities		<u>232,829</u>	<u>81,630</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(66,144)	(94,421)
Sale of tangible fixed assets		1,042	130
Net cash from investing activities		<u>(65,102)</u>	<u>(94,291)</u>
Cash flows from financing activities			
New loans in year		24,000	-
Loan repayments in year		(1,885)	-
Net cash from financing activities		<u>22,115</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		<u>189,842</u>	<u>(12,661)</u>
Cash and cash equivalents at beginning of year	2	<u>811,983</u>	<u>824,644</u>
Cash and cash equivalents at end of year	2	<u><u>1,001,825</u></u>	<u><u>811,983</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 28 February 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	381,490	306,283
Depreciation charges	56,727	56,714
Loss/(profit) on disposal of fixed assets	6,723	(130)
Gain on revaluation of fixed assets	(93,790)	-
Holiday pay provision	2,808	3,517
	<u>353,958</u>	<u>366,384</u>
Increase in stocks	(205,227)	(171,295)
(Increase)/decrease in trade and other debtors	(43,309)	254
Increase/(decrease) in trade and other creditors	182,018	(45,619)
	<u>287,440</u>	<u>149,724</u>
Cash generated from operations	287,440	149,724

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2017

	28.2.17	1.3.16
	£	£
Cash and cash equivalents	<u>1,001,825</u>	<u>811,983</u>

Year ended 29 February 2016

	29.2.16	1.3.15
	£	£
Cash and cash equivalents	<u>811,983</u>	<u>824,644</u>

**Notes to the Financial Statements
for the Year Ended 28 February 2017**

1. STATUTORY INFORMATION

Allans of Gillock Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The presentation currency is £ sterling.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	NIL
Leasehold property	NIL
Plant and machinery	20% reducing balance
Computer equipment	20% straight line
Plant for hire	33% straight line
Motor vehicles	25% reducing balance

No depreciation is provided on freehold and leasehold property. It is the company's policy to maintain the property in such a condition that the value is not impaired by the passage of time. As a consequence, any element of depreciation would, in the opinion of the directors, be immaterial.

INVESTMENT PROPERTY

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on a fair value adjustment is recognised in the income statement in the year. As the fair value adjustment is not a distributable profit, this is transferred to the fair value reserve. Deferred tax is provided on fair value gains at the rate expected to apply when the property is sold and this provision is included within the fair value reserve.

Rental income from investment property is recognised in the profit and loss account on a receivable basis over the term of the lease.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

2. ACCOUNTING POLICIES - continued
TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

DEFERRED TAX

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

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

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

OPERATING LEASES

Rentals payable under operating leases are charged to the profit and loss account as they fall due.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

OPERATING LEASE INCOME

Operating lease income is recognised in the profit and loss account on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	975,052	965,558
Social security costs	74,403	71,226
Other pension costs	15,858	14,874
	<u>1,065,313</u>	<u>1,051,658</u>

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

	2017	2016
Sales and distribution	40	41
Administration	9	10
	<u>49</u>	<u>51</u>

	2017	2016
	£	£
Directors' remuneration	<u>35,190</u>	<u>40,600</u>

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2017**

3. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Other operating leases	4,789	-
Operating lease income	(14,496)	(15,089)
Depreciation - owned assets	56,728	56,714
Loss/(profit) on disposal of fixed assets	6,723	(130)
Auditors' remuneration	5,800	5,750
Operating lease rentals - land and buildings	<u>12,000</u>	<u>11,323</u>

5. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	55,398	54,611
Deferred tax	<u>19,575</u>	<u>8,659</u>
Tax on profit	<u>74,973</u>	<u>63,270</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

5. TAXATION - continued

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>381,490</u>	<u>306,283</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	76,298	61,257
Effects of:		
Expenses not deductible for tax purposes	116	4,362
Capital allowances in excess of depreciation	(2,258)	(9,710)
Deferred tax provision	19,575	8,659
FRS 102 transitional adjustment	-	(1,298)
Fair value adjustment	<u>(18,758)</u>	<u>-</u>
Total tax charge	<u>74,973</u>	<u>63,270</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 March 2016	690,688	638,621	411,406	202,255	1,942,970
Additions	-	-	49,949	16,195	66,144
Disposals	-	-	(20,225)	(15,695)	(35,920)
At 28 February 2017	<u>690,688</u>	<u>638,621</u>	<u>441,130</u>	<u>202,755</u>	<u>1,973,194</u>
DEPRECIATION					
At 1 March 2016	-	-	329,331	121,196	450,527
Charge for year	-	-	33,655	23,073	56,728
Eliminated on disposal	-	-	(17,426)	(10,729)	(28,155)
At 28 February 2017	<u>-</u>	<u>-</u>	<u>345,560</u>	<u>133,540</u>	<u>479,100</u>
NET BOOK VALUE					
At 28 February 2017	<u>690,688</u>	<u>638,621</u>	<u>95,570</u>	<u>69,215</u>	<u>1,494,094</u>
At 29 February 2016	<u>690,688</u>	<u>638,621</u>	<u>82,075</u>	<u>81,059</u>	<u>1,492,443</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 March 2016	256,210
Revaluations	93,790
	<u>350,000</u>
At 28 February 2017	<u>350,000</u>
NET BOOK VALUE	
At 28 February 2017	<u>350,000</u>
At 29 February 2016	<u>256,210</u>

Fair value at 28 February 2017 is represented by:

	£
Valuation in 2014	5,000
Valuation in 2017	93,790
Cost	251,210
	<u>350,000</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>251,210</u>	<u>251,210</u>

The investment property is valued to reflect the director's estimate of open market value as at the accounting year end.

8. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	<u>3,436,303</u>	<u>3,231,076</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	806,928	749,084
Other debtors	40,077	37,906
Prepayments and accrued income	13,622	30,328
	<u>860,627</u>	<u>817,318</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

10. CURRENT ASSET INVESTMENTS

	2017	2016
	£	£
Investments	750	750

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other loans (see note 13)	5,880	-
Trade creditors	840,304	631,668
Amounts owed to associates	-	2,806
Corporation tax	55,398	54,611
Social security and other taxes	18,695	40,220
Other creditors	23,884	27,662
Accruals and deferred income	8,777	7,314
	<u>952,938</u>	<u>764,281</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Other loans (see note 13)	16,235	-

13. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Other loans	5,880	-
Amounts falling due between one and two years:		
Other loans - 1-2 years	5,880	-
Amounts falling due between two and five years:		
Other loans - 2-5 years	10,355	-

14. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	44,502	24,927
Other provisions	12,841	10,006
	<u>57,343</u>	<u>34,933</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

14. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Holiday pay provision £
Balance at 1 March 2016	24,927	10,006
Provided during year	19,575	12,841
Reversed during year	-	(10,006)
Balance at 28 February 2017	<u>44,502</u>	<u>12,841</u>

Other provisions represents holiday pay balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost for the period of accrued absence.

15. CALLED UP SHARE CAPITAL

Allotted and issued: Number:	Class:	Nominal value: £1	2017 £	2016 £
50,000	Ordinary		<u>50,000</u>	<u>50,000</u>

Each share issued has equal voting rights; equal rights to dividends, equal rights to capital distributions and no redemption rights.

16. RESERVES

	Retained earnings £	Fair value reserve £	Totals £
At 1 March 2016	5,756,566	4,000	5,760,566
Profit for the year	306,517		306,517
Movement in year	(77,999)	77,999	-
At 28 February 2017	<u>5,985,084</u>	<u>81,999</u>	<u>6,067,083</u>

Where amounts are transferred to the fair value reserve from retained earnings, this comprises fair value revaluations on investment property recognised in the year together with the associated deferred tax provision movement arising.

17. OTHER FINANCIAL COMMITMENTS

The company has entered into a long-term lease with Highland Council for the ground rent of its Inverness depot. The lease has 72 years to run and the current annual rent is £12,000.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2017

18. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2017	2016
	£	£
Sales to related parties	12,028	12,376
Expenses incurred on behalf of related parties	10,365	8,556
Labour recharged to related parties	34,847	33,256
Amount due to related parties	<u>13,670</u>	<u>20,438</u>

The company occupies property owned by director R F Allan on a rent-free basis. No interest is charged on the amounts owing to related parties and there are no formal repayment terms.

During the year, a total of key management personnel compensation of £266,963 was paid.

19. ULTIMATE CONTROLLING PARTY

The controlling party is Mr R F Allan.

20. OPERATING LEASE INCOME

The company has entered into a sub-lease with a tenant under a non-cancellable operating lease as follows:

	2017	2016
	£	£
Lease income within 1 year	3,333	10,000
Lease income over 1 year	-	3,333
	<u>3,333</u>	<u>13,333</u>