

Registration number SC026803

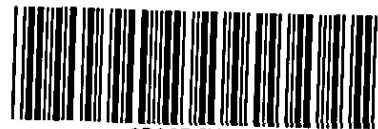


**Gillies of Broughty Ferry Limited**

**Abbreviated accounts**

**for the year ended 31 August 2009**

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## **Gillies of Broughty Ferry Limited**

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# **Gillies of Broughty Ferry Limited**

## **Directors' report for the year ended 31 August 2009**

The directors present their report and the accounts for the year ended 31 August 2009.

### **Principal activity and review of the business**

The principal activity of the company during the period was the retailing of house furnishings.

### **Business review**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company has three stores based in Scotland in the following areas:

Aberdeen  
Broughty Ferry  
Perth

We consider that our key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover and gross margin.

Turnover has decreased slightly and this can be attributed to the downturn in the economy over the past year and the credit crunch. However gross margins have improved and we would attribute this to a very competitive and successful buying strategy, and more purchases coming from abroad by way of containers.

Despite the drop in turnover the operating profit margin has improved slightly from last year as a result of the company keeping tight control of its expenditure during the year.

### **Results**

The results for the year are set out on pages 5 to 6.

### **Financial risk management objectives and policies**

As for many businesses of our size, the business environment in which we operate continues to be challenging. We are of course subject to consumer spending patterns and customers' overall level of disposable income within our industry.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

We attempt to manage these risks where possible, and in particular now purchase foreign currency when rates are favourable and cash flow allows. This effectively allows us to minimise the impact of unexpected exchange rate movement.

Other than close control being exerted over all our affairs there are no other formal risk strategies which we adopt.

# Gillies of Broughty Ferry Limited

## Directors' report for the year ended 31 August 2009

..... continued

### Directors

The directors who served during the year are as stated below:

J.D.K. Philp (Chairman)  
I.R.G. Philp  
A.D. Philp  
M. Wells  
E.M.F. Mahady

### Statement of directors' responsibilities

The directors are responsible for preparing 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 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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.

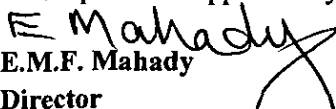
In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Findlay & Company are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report were approved by the Board on 19 October 2009 and signed on its behalf by

  
E.M.F. Mahady  
Director

**Independent auditors' report to Gillies of Broughty Ferry Limited  
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 6 to 19 together with the financial statements of Gillies of Broughty Ferry Limited for the year ended 31 August 2009 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.

**Other information**

On 30 October 2009 we reported as auditors of Gillies of Broughty Ferry Limited to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 August 2009 and our audit report was as follows:

We have audited the financial statements of Gillies of Broughty Ferry Limited for the year ended 31 August 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. 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).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent auditors' report to Gillies of Broughty Ferry Limited  
under Section 449 of the Companies Act 2006**

**Respective responsibilities of directors and auditors**

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. Our responsibility is to audit 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 (APB'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; and the overall presentation of the financial statements.

**Qualified opinion arising from limitation of audit scope**

As explained in note 19 to the financial statements, the Directors have decided not to obtain an actuarial valuation of the Company Defined Benefit Scheme at the year end. This is a requirement of Financial Reporting Standard 17. As such we have not been able to obtain sufficient evidence concerning the value of the Pension Scheme assets and liabilities at the balance sheet date. The last actuarial valuation conducted in April 2007 revealed a pension deficit of £764,000. If the valuation had been obtained at 31 August 2009 and made available to us we might have formed a different opinion.

Except for the financial effects of any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the value of the Pension Scheme assets and liabilities, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2009 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to the valuation of the Pension Scheme assets and liabilities as at the balance sheet date as required by Financial Reporting Standard 17, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

**Independent auditors' report to Gillies of Broughty Ferry Limited  
under Section 449 of the Companies Act 2006**

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.



.....  
**Hugh Grant CA (Senior statutory auditor)**  
**For and on behalf of Findlay & Company**  
**Chartered Accountants and**  
**Registered auditors**  
**11 Dudhope Terrace**  
**Dundee**  
**DD3 6TS**  
**30 October 2009**

**Gillies of Broughty Ferry Limited**

**Abbreviated profit and loss account  
for the year ended 31 August 2009**

	Notes	Continuing operations	
		2009 £	2008 £
<b>Turnover</b>		15,009,304	16,537,514
<b>Gross profit</b>		7,297,064	7,849,272
Administrative expenses		(6,142,108)	(6,516,651)
<b>Operating profit</b>	<b>2</b>	1,154,956	1,332,621
Investment income	<b>4</b>	2,009	834
Other interest receivable and similar income	<b>5</b>	122,753	137,795
<b>Profit on ordinary activities before taxation</b>		1,279,718	1,471,250
Tax on profit on ordinary activities	<b>8</b>	(417,695)	(506,716)
<b>Profit for the year</b>	<b>16</b>	862,023	964,534
Retained profit brought forward		9,888,831	8,871,648
Reserve Movements		50,860	52,649
<b>Retained profit carried forward</b>		10,801,714	9,888,831

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**Note of historical cost profits and losses**

<b>Profit on ordinary activities before taxation</b>	1,279,718	1,471,250
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	69,799	71,588
<b>Historical cost profit on ordinary activities before taxation</b>	1,349,517	1,542,838
<b>Historic cost profit for the year retained after taxation and dividends</b>	931,822	1,036,122

The notes on pages 9 to 19 form an integral part of these financial statements.



**Gillies of Broughty Ferry Limited**

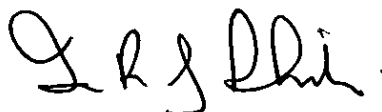
**Abbreviated balance sheet  
as at 31 August 2009**

		2009		2008	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		10,550,831		10,881,978
Investments	10		975,001		975,002
			<u>11,525,832</u>		<u>11,856,980</u>
<b>Current assets</b>					
Stocks	11	1,702,609		1,925,147	
Debtors	12	143,523		96,935	
Cash at bank and in hand		4,006,139		2,707,203	
		<u>5,852,271</u>		<u>4,729,285</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,200,862)</u>		<u>(3,238,867)</u>	
<b>Net current assets</b>			<u>2,651,409</u>		<u>1,490,418</u>
<b>Total assets less current liabilities</b>			14,177,241		13,347,398
<b>Net assets</b>			<u>14,177,241</u>		<u>13,347,398</u>
<b>Capital and reserves</b>					
Called up share capital	15		6,436		6,436
Revaluation reserve	16		2,722,150		2,791,949
Other reserves	16		646,941		660,182
Profit and loss account	16		10,801,714		9,888,831
<b>Shareholders' funds</b>	17		<u>14,177,241</u>		<u>13,347,398</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 19 October 2009 and signed on its behalf by

I.R.G. Philp  
Director



Registration number SC026803

**The notes on pages 9 to 19 form an integral part of these financial statements.**

# Gillies of Broughty Ferry Limited

## Cash flow statement for the year ended 31 August 2009

	Notes	2009 £	2008 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,154,956	1,332,621
Depreciation		443,504	428,117
Decrease in stocks		222,538	65,976
(Increase) in debtors		(36,739)	6,206
(Decrease) in creditors		(50,835)	(167,171)
<b>Net cash inflow from operating activities</b>		<u>1,733,424</u>	<u>1,665,749</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		1,733,424	1,665,749
Returns on investments and servicing of finance	19	124,753	138,629
Taxation	19	(414,715)	(838,878)
Capital expenditure	19	(112,356)	(143,084)
Acquisitions and disposals	19	10	-
		<u>1,331,116</u>	<u>822,416</u>
Equity dividends paid		(32,180)	(32,180)
<b>Increase in cash in the year</b>		<u>1,298,936</u>	<u>790,236</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 20)</b>			
<b>Increase in cash in the year</b>		1,298,936	790,236
<b>Net funds at 1 September 2008</b>		<u>2,707,203</u>	<u>1,916,967</u>
<b>Net funds at 31 August 2009</b>		<u>4,006,139</u>	<u>2,707,203</u>

## **Gillies of Broughty Ferry Limited**

### **Notes to the abbreviated financial statements for the year ended 31 August 2009**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Negative goodwill**

Negative goodwill is shown in the reserves and amortised annually over its expected useful economic life of 30 years. This disclosure is in contradiction with Financial Reporting Standard 10. The Directors consider that the override of the accounting standard allows the users a better understanding of the financial statements. Furthermore the Directors are of the opinion this accounting treatment does not impair the truth and fairness of the financial statements.

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2.5% reducing balance method
Fixtures, fittings and equipment	-	15-33% reducing balance method
Motor vehicles	-	25% reducing balance method

##### **1.5. Investment Properties**

Investment properties are reflected using a market value basis. In accordance with SSAP 19, no depreciation is charged in respect of investment properties. This policy represents a departure from the requirements of the Companies Act 2006, to provide systematic annual depreciation for fixed assets. However, as these properties are held for investment and not consumption, the directors consider the adoption of this policy necessary to give a true and fair view.

##### **1.6. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

##### **1.7. Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.8. Pensions**

The company operates two pension schemes: one a Defined Benefit Scheme and the other a Money Purchase Scheme. Contributions in respect of both schemes are charged to the profit and loss account for the year in which they are payable to the scheme. The Money Purchase Schemes contributions are based on a constant percentage of earnings. The Defined Benefit Schemes contributions are based on recommendations provided by Qualified Actuaries.

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2009

..... continued

### 1.9. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

### 1.11. Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

2. Operating profit	2009 £	2008 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	383,850	428,554
Loss on disposal of tangible fixed assets	59,653	1,614
Auditors' remuneration (Note 3)	14,500	17,600

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2009

..... continued

### 3. Auditors' remuneration

	2009 £	2008 £
Auditors' remuneration - audit of the financial statements	<u>14,500</u>	<u>17,600</u>

### 4. Income from investments

	2009 £	2008 £
Income from investments	2,000	834
Profit on disposal of investments	9	-
	<u>2,009</u>	<u>834</u>

### 5. Interest receivable and similar income

	2009 £	2008 £
Bank interest	<u>122,753</u>	<u>137,795</u>

### 6. Employees

	2009	2008
<b>Number of employees</b>		
The average monthly numbers of employees (including the directors) during the year were:		
Sales and Distribution	108	116
Office and Management	29	29
	<u>137</u>	<u>145</u>

### Employment costs

	2009 £	2008 £
Wages and salaries	3,467,846	3,467,017
Social security costs	114,125	88,573
Pension costs-other operating charge	368,234	473,181
	<u>3,950,205</u>	<u>4,028,771</u>

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

<b>6.1. Directors' remuneration</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>993,902</u>	<u>810,959</u>
 <b>Highest paid director</b>	 <b>£</b>	 <b>£</b>
Amounts included above:		
Emoluments and other benefits	378,931	291,830
Pension contributions	<u>31,754</u>	<u>31,672</u>
	<u>410,685</u>	<u>323,502</u>

**7. Pension costs**

The company operates a defined contribution pension scheme and a defined benefit pension scheme. The defined contribution scheme and its assets are held by independent managers and the defined benefit scheme is administered by independent consultants. The pension charge represents contributions due from the company into the defined contribution scheme and payments made into the defined benefit scheme, the total of this amounted to £368,234 (31 August 2008 - £473,181). There are no contributions outstanding at the year end.

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Analysis of the amount charged to operating profit</b>		
Current service cost	368,234	473,181
	<u>368,234</u>	<u>473,181</u>

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2009

..... continued

### 8. Tax on profit on ordinary activities

Analysis of charge in period	2009 £	2008 £
<b>Current tax</b>		
UK corporation tax	427,608	495,791
Adjustments in respect of previous periods	(63)	639
	<u>427,545</u>	<u>496,430</u>
Total current tax charge	<u>427,545</u>	<u>496,430</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(9,850)	10,286
Total deferred tax	<u>(9,850)</u>	<u>10,286</u>
Tax on profit on ordinary activities	<u>417,695</u>	<u>506,716</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28.00 per cent). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,279,718</u>	<u>1,471,250</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.00% (31 August 2008 : 29.00%)	358,321	426,663
<b>Effects of:</b>		
Expenses not deductible for tax purposes	16,703	468
Capital allowances for period less than depreciation	52,584	68,660
Adjustments to tax charge in respect of previous periods	(63)	639
Current tax charge for period	<u>427,545</u>	<u>496,430</u>

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2009

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost/revaluation</b>				
At 1 September 2008	10,550,000	797,515	627,860	11,975,375
Additions	-	60,326	70,505	130,831
Disposals	-	(359,237)	(45,240)	(404,477)
At 31 August 2009	10,550,000	498,604	653,125	11,701,729
<b>Depreciation</b>				
At 1 September 2008	263,750	502,345	327,302	1,093,397
On disposals	-	(299,797)	(26,552)	(326,349)
Charge for the year	257,156	48,684	78,010	383,850
At 31 August 2009	520,906	251,232	378,760	1,150,898
<b>Net book values</b>				
At 31 August 2009	10,029,094	247,372	274,365	10,550,831
At 31 August 2008	10,286,250	295,170	300,558	10,881,978

In the financial year ending 31 August 2007, the company's properties were revalued by independent external qualified valuers Lickley Proctor Chartered Surveyors and J & E Shepherd Chartered Surveyors. These properties were valued on the open market value basis in accordance with the RICS Appraisal and Valuation Manual. The properties classified as tangible fixed assets at the year end were valued to £10,550,000.

The historical cost of the properties was £8,829,549



**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

10. Fixed asset investments	Subsidiary undertakings shares £	Investment properties £	Other unlisted investments £	Total £
<b>Cost/revaluation</b>				
At 1 September 2008	2	935,000	40,000	975,002
Disposals	(1)	-	-	(1)
At 31 August 2009	1	935,000	40,000	975,001
<b>Net book values</b>				
At 31 August 2009	1	935,000	40,000	975,001
At 31 August 2008	2	935,000	40,000	975,002

Investment properties were valued on the open market value basis as at 27/08/07 by independent external qualified valuers Lickley Proctor Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual.

The directors consider the above valuations for investment properties to be reflective of the market value at the year end.

**10.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
<b>Subsidiary undertaking</b>				
Scandinavian Interiors Limited	Scotland	Non Trading	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Scandinavian Interiors Limited	(224)	-

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

<b>11. Stocks</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>1,702,609</u>	<u>1,925,147</u>
<b>12. Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	122,105	85,367
Amounts owed by group undertakings	164	164
Deferred tax (Note 14)	<u>21,254</u>	<u>11,404</u>
	<u>143,523</u>	<u>96,935</u>
Amounts falling due after more than one year and included in debtors are:		
Deferred tax (Note 14)	<u>21,254</u>	<u>11,404</u>
<b>13. Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,800,962	1,952,741
Corporation tax	176,984	164,154
Other taxes and social security costs	148,231	161,112
Directors' accounts	97,819	118,009
Other creditors	178,120	168,001
Accruals and deferred income	<u>798,746</u>	<u>674,850</u>
	<u>3,200,862</u>	<u>3,238,867</u>

The company has provided a letter of pledge over \$150,000 held on deposit within the US Dollar bank account.

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

14. Provision for deferred taxation	2009 £	2008 £
Accelerated capital allowances	(21,254)	(11,404)
Provision for deferred tax	<u>(21,254)</u>	<u>(11,404)</u>
Provision at 1 September 2008	(11,404)	
Deferred tax credit in profit and loss account	<u>(9,850)</u>	
Provision at 31 August 2009	<u>(21,254)</u>	

The above provision represents a deferred tax asset that has originated from the timing differences associated with capital allowances. Provision for deferred tax has not been made on gains arising from the revaluation of fixed assets and investment properties on the basis the directors consider there is no intention to dispose of these properties.

15. Share capital	2009 £	2008 £
<b>Authorised</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
6,436 Ordinary shares of £1 each	<u>6,436</u>	<u>6,436</u>
<b>Equity Shares</b>		
6,436 Ordinary shares of £1 each	<u>6,436</u>	<u>6,436</u>

16. Equity Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Unamortised negative goodwill £	Investment property reserve £	Total £
At 1 September 2008	2,791,949	9,888,831	3,564	317,780	338,838	13,340,962
Profit for the year	-	862,023	-	-	-	862,023
Other movements	(69,799)	83,040	-	(13,241)	-	-
Equity Dividends	-	(32,180)	-	-	-	(32,180)
At 31 August 2009	<u>2,722,150</u>	<u>10,801,714</u>	<u>3,564</u>	<u>304,539</u>	<u>338,838</u>	<u>14,170,805</u>

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

<b>17. Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit for the year	862,023	964,534
Dividends	(32,180)	(32,180)
	829,843	932,354
Opening shareholders' funds	13,347,398	12,415,044
Closing shareholders' funds	14,177,241	13,347,398

**18. Pension cost note**

The company provides pension arrangements to the directors and some of the full-time employees through a defined benefit scheme and related costs are assessed in accordance with the advice of professionally qualified actuaries.

The most recent full actuarial valuation of the scheme was obtained as at 1 April 2007. The main findings at the time showed that there was a deficit on the scheme of £764,000.

As part of the most recent actuarial valuation the agreed Recovery Plan suggested that contributions of 25.75% are required to pensionable salaries. The recommendation has been adopted by the company and the company pays 16.75% with the employee contributing the remaining 9%. The company has also agreed to make one off annual contributions of £40,000 until 2013. The company may make additional contributions as and when appropriate.

The company has not paid for a full up to date valuation as at 31 August 2009, as it was considered to be of little value to the users of the financial statements and that the money would be better spent in the pension scheme itself.

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2009**

..... continued

**19. Gross cash flows**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>124,753</u>	<u>138,629</u>
<b>Taxation</b>		
Corporation tax paid	<u>(414,715)</u>	<u>(838,878)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	<u>(130,831)</u>	<u>(178,047)</u>
Receipts from sales of tangible assets	<u>18,475</u>	<u>34,963</u>
	<u>(112,356)</u>	<u>(143,084)</u>
<b>Acquisitions and disposals</b>		
Receipts on disposal of group interests	<u>10</u>	<u>-</u>

**20. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>2,707,203</u>	<u>1,298,936</u>	<u>4,006,139</u>
<b>Net funds</b>	<u>2,707,203</u>	<u>1,298,936</u>	<u>4,006,139</u>