

Registration number SC026803



**Gillies of Broughty Ferry Limited**

**Abbreviated accounts**

**for the year ended 31 August 2015**

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## **Gillies of Broughty Ferry Limited**

### **Contents**

	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>2 - 3</b>
Auditors' report	<b>4 - 6</b>
Abbreviated profit and loss account	<b>7 - 8</b>
Abbreviated balance sheet	<b>9 - 10</b>
Cash flow statement	<b>11</b>
Notes to the financial statements	<b>12 - 23</b>



## **Gillies of Broughty Ferry Limited**

### **Strategic report for the year ended 31 August 2015**

#### **Strategic report**

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

We consider our key financial performance indicators are those of turnover and profit. For Gillies of Broughty Ferry Limited this has been a strong trading year for the company. Turnover has continued to grow year on year and has exceeded the £17 million barrier, this represented an increase of over 5% from 2014. Profit before taxation was just over £1.7 million, a slight increase from 2014.

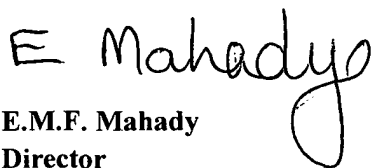
As for many businesses of our size, the business environment in which we operate continues to be challenging. We are of course subject to consumer spending patterns and customers' overall disposable income within our industry.

With these risks and uncertainties in mind, we are aware that any plans for 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 continue to 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 management strategies which we adopt.

This report was approved by the Board on 12 November 2015 and signed on its behalf by



**E.M.F. Mahady**  
**Director**

## **Gillies of Broughty Ferry Limited**

### **Directors' report for the year ended 31 August 2015**

The directors present their report and the accounts for the year ended 31 August 2015.

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

The principal activity of the Company during the period was the retailing of house furnishings. A review of the business is included within the Strategic Report

#### **Results and dividends**

The results for the year are set out on page 7 - 8.

The directors have paid an interim dividend amounting to £480,216 and they do not recommend payment of a final dividend.

#### **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 disposable income within our industry.

#### **Directors**

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

I.R.G. Philp	E.S. Webster
A.D. Philp	E.G. Philp
E.M.F. Mahady	D.A. Philp
M. Wells	

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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.

**Gillies of Broughty Ferry Limited**

**Directors' report  
for the year ended 31 August 2015**

..... continued

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

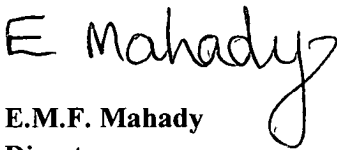
**Strategic Report**

The company's strategic report is presented in accordance with Section 414C(11) of the Companies Act 2006 separately within this report. This also incorporates a review of the business for the past year.

**Auditors**

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

This report was approved by the Board on 12 November 2015 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 7 - 8 to 23 together with the financial statements of Gillies of Broughty Ferry Limited for the year ended 31 August 2015 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 to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section 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 12 November 2015 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 2015 and our audit report was as follows:



Alexander Squires, CA (senior statutory auditor)  
For and on behalf of Findlay & Company  
Chartered Accountants and  
Statutory auditor

11 Dudhope Terrace  
Dundee

12 November 2015

DD3 6TS

**Independent auditor's report to the shareholders of  
Gillies of Broughty Ferry Limited**

We have audited the financial statements of Gillies of Broughty Ferry Limited for the year ended 31 August 2015 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 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

As explained in note 21 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 financial statements therefore do not comply with Financial Reporting Standard 17 in respect of accounting and disclosure requirements. The last actuarial valuation conducted at 31 March 2013 revealed a pension deficit of £1,970,000. If the valuation had been obtained at 31 August 2015 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:

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

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

**Independent auditor's report to the shareholders of  
Gillies of Broughty Ferry Limited**

.....continued

**Opinion on other matter prescribed by the Companies Act 2006.**

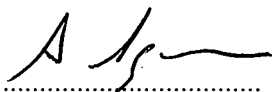
Notwithstanding our adverse opinion on the financial statements, in our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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.



.....  
**Alexander Squires, CA (senior statutory auditor)**  
**For and on behalf of Findlay & Company**  
**Chartered Accountants and**  
**Statutory auditor**  
**11 Dudhope Terrace**  
**Dundee**  
**DD3 6TS**



# Gillies of Broughty Ferry Limited

## Abbreviated profit and loss account for the year ended 31 August 2015

### Continuing operations

		2015	2014
	Notes	£	£
<b>Turnover</b>		17,340,916	16,376,448
<b>Gross profit</b>		8,756,243	8,434,379
Administrative expenses		(7,147,647)	(6,947,348)
<b>Operating profit</b>	<b>2</b>	1,608,596	1,487,031
Investment income	<b>4</b>	118,951	151,338
Other interest receivable and similar income	<b>5</b>	38,492	68,742
<b>Profit on ordinary activities before taxation</b>		1,766,039	1,707,111
Tax on profit on ordinary activities	<b>8</b>	(300,391)	(408,758)
<b>Profit for the year</b>	<b>18</b>	1,465,648	1,298,353
Retained profit brought forward		14,534,327	13,501,990
Reserve Movements		(480,216)	(266,016)
<b>Retained profit carried forward</b>		15,519,759	14,534,327
<b>Statement of total recognised gains and losses</b>			
<b>Profit on ordinary activities after taxation</b>		1,465,648	1,298,353
Unrealised movement on revaluation of investment property		-	23,488
<b>Total recognised gains since last annual report</b>		1,465,648	1,321,841

The notes on pages 12 to 23 form an integral part of these financial statements.

**Gillies of Broughty Ferry Limited**

**Abbreviated profit and loss account  
for the year ended 31 August 2015**

	<b>Continuing operations</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Note of historical cost profits and losses</b>		
<b>Profit on ordinary activities before taxation</b>	1,766,039	1,707,111
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	74,114	34,087
<b>Historical cost profit on ordinary activities before taxation</b>	<u>1,840,153</u>	<u>1,741,198</u>
<b>Historic cost profit for the year retained after taxation and dividends</b>	<u>1,539,762</u>	<u>1,332,440</u>

**The notes on pages 12 to 23 form an integral part of these financial statements.**

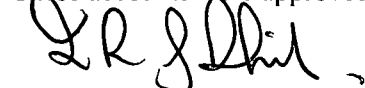
# Gillies of Broughty Ferry Limited

## Abbreviated balance sheet as at 31 August 2015

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		9,964,947		9,892,156
Investments	10		2,008,067		1,318,067
			<u>11,973,014</u>		<u>11,210,223</u>
<b>Current assets</b>					
Stocks	11	2,328,872		2,299,612	
Debtors	12	56,448		60,231	
Investments	13	-		1,750,000	
Cash at bank and in hand		6,718,474		4,237,883	
		<u>9,103,794</u>		<u>8,347,726</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,561,943)		(2,956,781)	
<b>Net current assets</b>			<u>5,541,851</u>		<u>5,390,945</u>
<b>Total assets less current liabilities</b>			17,514,865		16,601,168
<b>Provisions for liabilities</b>	15		<u>(45,784)</u>		<u>(117,519)</u>
<b>Net assets</b>			<u>17,469,081</u>		<u>16,483,649</u>
<b>Capital and reserves</b>					
Called up share capital	17		6,436		6,436
Revaluation reserve	18		1,630,699		1,630,699
Other reserves	18		312,187		312,187
Profit and loss account	18		15,519,759		14,534,327
<b>Shareholders' funds</b>	19		<u>17,469,081</u>		<u>16,483,649</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.

These accounts were approved by the directors on 12 November 2015, and are signed on their behalf by:

  
I.R.G. Philp  
Director

Registration number SC026803

The notes on pages 12 to 23 form an integral part of these financial statements.

# Gillies of Broughty Ferry Limited

## Cash flow statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,608,596	1,487,031
Depreciation		404,642	371,788
(Increase) in stocks		(29,260)	(151,553)
Decrease in debtors		3,783	7,413
Increase in creditors		552,088	503,370
<b>Net cash inflow from operating activities</b>		<u>2,539,849</u>	<u>2,218,049</u>

### Cash flow statement

Net cash inflow from operating activities		2,539,849	2,218,049
Returns on investments and servicing of finance	24	157,443	220,080
Taxation	24	(319,052)	(224,000)
Capital expenditure and financial investment	24	(477,433)	1,361,337
Acquisitions and disposals	24	(690,000)	(281,512)
		<u>1,210,807</u>	<u>3,293,954</u>
Equity dividends paid		(480,216)	(266,016)
<b>Increase in cash in the year</b>		<u>730,591</u>	<u>3,027,938</u>

### Reconciliation of net cash flow to movement in net funds (Note 25)

<b>Increase in cash in the year</b>	730,591	3,027,938
<b>Net funds at 1 September 2014</b>	<u>5,987,883</u>	<u>2,959,945</u>
<b>Net funds at 31 August 2015</b>	<u>6,718,474</u>	<u>5,987,883</u>

# **Gillies of Broughty Ferry Limited**

## **Notes to the abbreviated financial statements for the year ended 31 August 2015**

### **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.

Turnover is recognised when the goods are physically delivered to the customer. Deposits obtained in advance of delivery from customers are reflected in Trade Creditors.

#### **1.3. 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

#### **1.4. 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.

#### **1.5. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6. Investments**

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

Current asset investments are at the lower of cost and net realisable 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 2015

..... 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.

2. Operating profit	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	402,439	361,706
Loss on disposal of tangible fixed assets	2,203	10,082
Operating lease rentals		
- Land and buildings	33,503	33,762
Auditors' remuneration (Note 3)	18,750	20,850
	<u>18,750</u>	<u>20,850</u>
3. Auditors' remuneration	2015 £	2014 £
Auditors' remuneration - audit of the financial statements	<u>18,750</u>	<u>18,500</u>

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2015**

..... continued

<b>4. Income from investments</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Income from investments	<u>118,951</u>	<u>151,338</u>
<b>5. Interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank interest	<u>38,492</u>	<u>68,742</u>
<b>6. Employees</b>		
<b>Number of employees</b>	<b>2015</b>	<b>2014</b>
The average monthly numbers of employees (including the directors) during the year were:		
Sales and Distribution	135	126
Office and Management	<u>33</u>	<u>32</u>
	<u>168</u>	<u>158</u>
<b>Employment costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries (including directors)	3,563,733	3,632,840
Social security costs	323,042	340,896
Pension costs-other operating charge	<u>629,709</u>	<u>409,105</u>
	<u>4,516,484</u>	<u>4,382,841</u>
<b>6.1. Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>541,507</u>	<u>777,456</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	<u>113,547</u>	<u>218,750</u>

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2015

..... continued

### 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 £629,709 (31 August 2014 - £409,105). There are no contributions outstanding at the year end.

	2015	2014
	£	£
<b>Analysis of the amount charged to operating profit</b>		
Total Pension Payments	629,709	409,105
	<u>629,709</u>	<u>409,105</u>



**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2015**

..... continued

**8. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Current tax</b>		
UK corporation tax	372,125	358,081
Adjustments in respect of previous periods	-	5
	<u>372,125</u>	<u>358,086</u>
Total current tax charge	<u>372,125</u>	<u>358,086</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(71,734)	50,672
Total deferred tax	<u>(71,734)</u>	<u>50,672</u>
Tax on profit on ordinary activities	<u>300,391</u>	<u>408,758</u>

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

	<b>2015 £</b>	<b>2014 £</b>
Profit on ordinary activities before taxation	<u>1,766,039</u>	<u>1,707,111</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (31 August 2014 : 21.00%)	353,208	358,493
<b>Effects of:</b>		
Expenses not deductible for tax purposes	441	2,117
Capital allowances for period in excess of depreciation	35,153	(21,299)
Adjustments to tax charge in respect of previous periods	-	5
Changes in tax rates and other timing differences	12,573	18,770
Land & building remediation relief	<u>(29,250)</u>	<u>-</u>
Current tax charge for period	<u>372,125</u>	<u>358,086</u>

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2015

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost/revaluation</b>				
At 1 September 2014	10,104,940	721,162	767,233	11,593,335
Additions	330,164	69,107	92,413	491,684
Disposals	-	-	(27,229)	(27,229)
At 31 August 2015	10,435,104	790,269	832,417	12,057,790
<b>Depreciation</b>				
At 1 September 2014	870,260	397,667	433,252	1,701,179
On disposals	-	-	(10,776)	(10,776)
Charge for the year	249,797	55,607	97,036	402,440
At 31 August 2015	1,120,057	453,274	519,512	2,092,843
<b>Net book values</b>				
At 31 August 2015	9,315,047	336,995	312,905	9,964,947
At 31 August 2014	9,234,680	323,495	333,981	9,892,156

10. Fixed asset investments	Subsidiary undertakings shares £	Investment properties £	Listed investments £	Total £
<b>Cost/revaluation</b>				
At 1 September 2014	2	1,278,065	40,000	1,318,067
Additions	-	690,000	-	690,000
At 31 August 2015	2	1,968,065	40,000	2,008,067
<b>Net book values</b>				
At 31 August 2015	2	1,968,065	40,000	2,008,067
At 31 August 2014	2	1,278,065	40,000	1,318,067

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2015

..... continued

### 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)	-
<b>11. Stocks</b>		<b>2015 £</b>
Finished goods and goods for resale		<b>2014 £</b>
		2,328,872
		2,299,612
<b>12. Debtors</b>		<b>2015 £</b>
Trade debtors		<b>2014 £</b>
		56,448
		60,231
<b>13. Current asset investments</b>		<b>2015 £</b>
Other unlisted investments		<b>2014 £</b>
		-
		1,750,000

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2015**

..... continued

<b>14. Creditors: amounts falling due within one year</b>	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	958,136	884,592
Customer deposits held	1,500,667	1,545,057
Corporation tax	187,155	134,081
Other taxes and social security costs	567,338	75,931
Other creditors	299,078	252,139
Pension contributions	49,569	64,981
	<u>3,561,943</u>	<u>2,956,781</u>

**15. Provisions for liabilities**

	<b>Deferred taxation (Note 16) £</b>	<b>Total £</b>
At 1 September 2014	117,518	117,518
Movements in the year	(71,734)	(71,734)
At 31 August 2015	<u>45,784</u>	<u>45,784</u>

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2015**

..... continued

16. Provision for deferred taxation	2015 £	2014 £
Accelerated capital allowances	45,784	117,518
Provision for deferred tax	<u>45,784</u>	<u>117,518</u>
Provision at 1 September 2014	117,518	
Deferred tax credit in profit and loss account	<u>(71,734)</u>	
Provision at 31 August 2015	<u>45,784</u>	

The above provision represents a deferred tax liability 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.

17. Share capital	2015 £	2014 £
<b>Authorised</b>		
20,000 Ordinary shares of £0.50 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
12,872 Ordinary shares of £0.50 each	<u>6,436</u>	<u>6,436</u>
<b>Equity Shares</b>		
12,872 Ordinary shares of £0.50 each	<u>6,436</u>	<u>6,436</u>

18. Equity Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Investment property reserve £	Total £
<b>At 1 September 2014</b>	1,630,699	14,534,327	3,564	308,623	16,477,213
Profit for the year	-	1,465,648	-	-	1,465,648
Equity Dividends	-	(480,216)	-	-	(480,216)
<b>At 31 August 2015</b>	<u>1,630,699</u>	<u>15,519,759</u>	<u>3,564</u>	<u>308,623</u>	<u>17,462,645</u>

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2015

..... continued

19. Reconciliation of movements in shareholders' funds	2015 £	2014 £
Profit for the year	1,465,648	1,298,353
Dividends	(480,216)	(266,016)
	<u>985,432</u>	<u>1,032,337</u>
Other recognised gains or losses	-	23,488
Net addition to shareholders' funds	985,432	1,055,825
Opening shareholders' funds	16,483,649	15,427,824
Closing shareholders' funds	<u>17,469,081</u>	<u>16,483,649</u>

## 20. 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 31 March 2013. The main finding at the time of the 31 March 2013 valuation showed that there was a deficit on the scheme of £1,970,000.

As part of the most recent actuarial valuation the agreed Recovery Plan suggested that the Company make annual contributions of £240,000. The company has committed to paying the recommended £240,000 annually up to 29 February 2016. In addition to these contributions the company paid a one off contribution of £150,000 in December 2014.

The Company has not paid for a full FRS17 valuation as at 31 August 2015, 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.

From the 27 August 2011 the Defined Benefit Scheme is closed to new members and to future accrual and any member in pensionable service under the scheme on 26 August 2011 shall become a deferred pensioner for the scheme in accordance with the approved Deed of Amendment from 27 August 2011. Accordingly from this point the company and employees will make no further contributions to the scheme in respect of future service benefits.

Specific accounting and disclosure requirements under FRS 17 have not been met as the pension valuation at 31 August 2015 has not been obtained.

# Gillies of Broughty Ferry Limited

## Notes to the abbreviated financial statements for the year ended 31 August 2015

..... continued

### 21. Financial commitments

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between one and five years	28,442	-
In over five years	-	28,442
	<u>28,442</u>	<u>28,442</u>

### 23. Related party transactions

Name of related party: Associated Independent Stores Limited (AIS)

Nature of relationship: The company holds debenture investments in AIS. Mr I.R.G. Philp is a director of AIS.

The transaction: The directors estimate that on average 55% of the company's purchases are ordered via AIS. All purchases are made on normal trading conditions. At 31 August 2015 £0 (2014 £0) was due to AIS. Additionally as part of the agreements within the buying group, AIS guarantees the balances due to a number of the suppliers used by the company and other members of the buying group.

Name of related party: S M Philp, J D K Philp (deceased), I R G Philp, A D Philp, W Philp, A Philp, E Philp, D Philp, J Philp, C Philp

Nature of relationship: Directors of the company and close family members

The transaction: Dividends paid to directors and close family members during the year amounted to £480,216 (2014 - £266,016).

**Gillies of Broughty Ferry Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 August 2015**

..... continued

**24. Gross cash flows**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>157,443</u>	<u>220,080</u>
<b>Taxation</b>		
Corporation tax paid	<u>(184,970)</u>	<u>(224,000)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(491,684)	(413,482)
Receipts from sales of tangible assets	14,250	24,819
Receipts from sales of investments	-	1,750,000
	<u>(477,434)</u>	<u>1,361,337</u>
<b>Acquisitions and disposals</b>		
Payments on acquisition of investment properties	<u>(690,000)</u>	<u>(281,512)</u>

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

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	4,237,883	730,591	1,750,000	6,718,474
Short term investments	1,750,000	-	(1,750,000)	-
	<u>5,987,883</u>	<u>730,591</u>	<u>-</u>	<u>6,718,474</u>
<b>Net funds</b>	<u>5,987,883</u>	<u>730,591</u>	<u>-</u>	<u>6,718,474</u>