

Registration number SC026803



Gillies of Broughty Ferry Limited

Abbreviated accounts

for the year ended 31 August 2013

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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 2013

The directors present their report and the accounts for the year ended 31 August 2013.

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 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 non-complex 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 gross margin. The company operates four retail stores in Aberdeen, Broughty Ferry, Montrose and Perth. All of these premises have shown encouraging sales, growth and results. As a whole the group turnover has increased by around £338k, a further increase of over 2%. Margins have dipped slightly but remain fairly consistent to the achievements of the prior years.

Net Profits have dropped slightly, however there has been a reduction in interest received of £136k due to a 3 year investment maturing in the prior year, paying £147k in interest. The company has also moved to improve its carbon footprint and has invested heavily in this by changing all lighting over to low voltage 35amp lamps. There has also been a full revamp of the Carpet Department and Bedding floor in Broughty Ferry, and all ceiling tiles have been replaced in this store.

The company has succeeded with its plan to expand the store in Perth with the redevelopment being completed post year end and the store having had its official opening in October 2013. The excitement and positive feedback in the first few weeks of opening has not gone unnoticed and the directors are confident that the store and its in house coffee shop will achieve impressive results over the years that follow.

One final positive note was the valuation of our defined benefit pension scheme which in common with most schemes has suffered several years of deficits. We received an up to date valuation in November 2013 which showed the deficit had reduced to £640,000. this meaning that the scheme is now 90% funded, and the recovery plan is looking to have the deficit fully repaid by February 2016.

Results and dividends

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

Gillies of Broughty Ferry Limited

Directors' report for the year ended 31 August 2013

..... continued

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.

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.

Long term investments made during the year are linked to the performance of the stock market. The Directors have considered the risks carefully and obtained independent financial advice. The Directors have considered prudence and ensured the level of the investments made will not impact adversely the liquidity and cash flow requirements of the day to day business of the Company.

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

Directors

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

E.S. Webster (Chairman)	M. Wells
I.R.G. Philp	E.G. Philp
A.D. Philp	D.A. Philp
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.

Gillies of Broughty Ferry Limited

**Directors' report
for the year ended 31 August 2013**

..... continued

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.

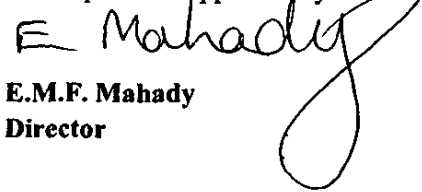
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- 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 was approved by the Board on 9 January 2014 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 to 23 together with the financial statements of Gillies of Broughty Ferry Limited for the year ended 31 August 2013 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 9 January 2014 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 2013 and our audit report was as follows:

**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 2013 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 of 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 in April 2010 revealed a pension deficit of £897,000. If the valuation had been obtained at 31 August 2013 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 2013 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.

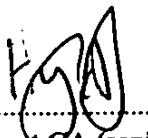
Notwithstanding our adverse opinion on the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



.....
Hugh Grant CA (senior statutory auditor)
For and on behalf of Findlay & Company
Chartered Accountants and
Statutory auditor
11 Dudhope Terrace
Dundee
DD3 6TS
9 January 2014

Gillies of Broughty Ferry Limited

**Abbreviated profit and loss account
for the year ended 31 August 2013**

	Notes	Continuing operations	
		2013 £	2012 £
Turnover		15,345,119	15,007,176
Gross profit		7,502,798	7,427,042
Administrative expenses		(6,452,557)	(6,273,713)
Operating profit	2	1,050,241	1,153,329
Investment income	4	185,365	302,477
Other interest receivable and similar income	5	3,642	24,299
Profit on ordinary activities before taxation		1,239,248	1,480,105
Tax on profit on ordinary activities	8	(354,771)	(422,392)
Profit for the year	18	884,477	1,057,713
Retained profit brought forward		12,940,629	12,211,345
Reserve Movements		(323,116)	(328,429)
Retained profit carried forward		13,501,990	12,940,629

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

Profit on ordinary activities before taxation	1,239,248	1,480,105
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	36,777	36,777
Historical cost profit on ordinary activities before taxation	1,276,025	1,516,882
Historic cost profit for the year retained after taxation and dividends	921,254	1,094,490

The notes on pages 10 to 23 form an integral part of these financial statements.

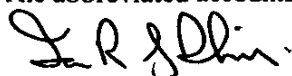
Gillies of Broughty Ferry Limited

**Abbreviated balance sheet
as at 31 August 2013**

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		9,875,047		8,952,937
Investments	10		2,763,067		3,857,967
			<u>12,638,114</u>		<u>12,810,904</u>
Current assets					
Stocks	11	2,148,059		2,021,407	
Debtors	12	67,644		129,685	
Investments	13	900,000		300,000	
Cash at bank and in hand		2,059,945		1,833,250	
		<u>5,175,648</u>		<u>4,284,342</u>	
Creditors: amounts falling due within one year	14	<u>(2,319,090)</u>		<u>(2,195,706)</u>	
Net current assets			<u>2,856,558</u>		<u>2,088,636</u>
Total assets less current liabilities			15,494,672		14,899,540
Provisions for liabilities	15		<u>(66,848)</u>		<u>(33,077)</u>
Net assets			<u>15,427,824</u>		<u>14,866,463</u>
Capital and reserves					
Called up share capital	17		6,436		6,436
Revaluation reserve	18		1,630,699		1,630,699
Other reserves	18		288,699		288,699
Profit and loss account	18		13,501,990		12,940,629
Shareholders' funds	19		<u>15,427,824</u>		<u>14,866,463</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 9 January 2014 and signed on its behalf by



I.R.G. Philp
Director

Registration number SC026803

The notes on pages 10 to 23 form an integral part of these financial statements.

Gillies of Broughty Ferry Limited

**Cash flow statement
for the year ended 31 August 2013**

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,050,241	1,153,329
Depreciation		382,383	388,629
(Increase) in stocks		(126,652)	52,522
Decrease in debtors		62,041	(62,194)
Increase in creditors		221,652	(1,211,819)
Net cash inflow from operating activities		<u>1,589,665</u>	<u>320,467</u>
Cash flow statement			
Net cash inflow from operating activities		1,589,665	320,467
Returns on investments and servicing of finance	24	189,007	326,776
Taxation	24	(419,269)	(511,077)
Capital expenditure and financial investment	24	(209,592)	(103,728)
Acquisitions and disposals	24	-	(253,965)
		<u>1,149,811</u>	<u>(221,527)</u>
Equity dividends paid		(323,116)	(365,206)
		<u>826,695</u>	<u>(586,733)</u>
Management of liquid resources	24	(600,000)	1,100,000
Decrease in cash in the year		<u>226,695</u>	<u>513,267</u>
Reconciliation of net cash flow to movement in net funds (Note 25)			
Decrease in cash in the year		226,695	513,267
Cash outflow from increase in liquid resources		600,000	(1,100,000)
Change in net funds resulting from cash flows		826,695	(586,733)
Net funds at 1 September 2012		<u>2,133,250</u>	<u>2,719,983</u>
Net funds at 31 August 2013		<u>2,959,945</u>	<u>2,133,250</u>

Gillies of Broughty Ferry Limited

Notes to the abbreviated financial statements for the year ended 31 August 2013

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
Leasehold properties	-	Straight line over the life of the lease
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.

Gillies of Broughty Ferry Limited

Notes to the abbreviated financial statements for the year ended 31 August 2013

..... continued

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.

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.

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... continued

2. Operating profit	2013	2012
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	379,311	377,640
Loss on disposal of tangible fixed assets	3,072	10,989
Operating lease rentals		
- Land and buildings	33,841	34,648
Auditors' remuneration (Note 3)	<u>21,750</u>	<u>18,000</u>
3. Auditors' remuneration	2013	2012
	£	£
Auditors' remuneration - audit of the financial statements	<u>18,000</u>	<u>18,000</u>
4. Income from investments	2013	2012
	£	£
Income from investments	<u>185,365</u>	<u>302,477</u>
5. Interest receivable and similar income	2013	2012
	£	£
Bank interest	3,642	23,030
Other interest	-	1,269
	<u>3,642</u>	<u>24,299</u>

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... continued

6. Employees

Number of employees	2013	2012
The average monthly numbers of employees (including the directors) during the year were:		
Sales and Distribution	111	106
Office and Management	31	30
	<u>142</u>	<u>136</u>

Employment costs	2013	2012
	£	£
Wages and salaries	3,310,895	3,135,982
Social security costs	316,485	318,127
Pension and life assurance costs	345,911	426,458
	<u>3,973,291</u>	<u>3,880,567</u>

6.1. Directors' remuneration	2013	2012
	£	£
Remuneration and other emoluments	785,972	749,540
Pension contributions	27,347	20,357
	<u>813,319</u>	<u>769,897</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>

Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	<u>215,125</u>	<u>215,250</u>

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... 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 £345,911 (31 August 2012 - £426,458). There are no contributions outstanding at the year end.

	2013	2012
Analysis of the amount charged to operating profit	£	£
Past service cost	345,911	426,458
	<u>345,911</u>	<u>426,458</u>

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2013	2012
	£	£
Current tax		
UK corporation tax	321,000	419,269
Total current tax charge	<u>321,000</u>	<u>419,269</u>
Deferred tax		
Timing differences, origination and reversal	33,771	3,123
Total deferred tax	<u>33,771</u>	<u>3,123</u>
Tax on profit on ordinary activities	<u>354,771</u>	<u>422,392</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 (23.58 per cent). The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>1,239,248</u>	<u>1,480,105</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.58% (31 August 2012 : 25.16%)	292,215	372,394
Effects of:		
Expenses not deductible for tax purposes	722	2,765
Depreciation for period in excess of capital allowances	28,279	44,051
Marginal relief	(1,116)	-
Other timing differences	<u>900</u>	<u>59</u>
Current tax charge for period	<u>321,000</u>	<u>419,269</u>

Gillies of Broughty Ferry Limited

Notes to the abbreviated financial statements for the year ended 31 August 2013

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation				
At 1 September 2012	8,704,940	721,745	628,701	10,055,386
Additions	944,824	78,767	86,334	1,109,925
Transfers/(Disposals)	194,900	-	(16,400)	178,500
At 31 August 2013	<u>9,844,664</u>	<u>800,512</u>	<u>698,635</u>	<u>11,343,811</u>
Depreciation				
At 1 September 2012	445,613	356,296	300,540	1,102,449
On disposals	-	-	(12,995)	(12,995)
Charge for the year	214,878	61,660	102,772	379,310
At 31 August 2013	<u>660,491</u>	<u>417,956</u>	<u>390,317</u>	<u>1,468,764</u>
Net book values				
At 31 August 2013	<u>9,184,173</u>	<u>382,556</u>	<u>308,318</u>	<u>9,875,047</u>
At 31 August 2012	<u>8,259,327</u>	<u>365,449</u>	<u>328,161</u>	<u>8,952,937</u>

During the year to 31 August 2010, the company's properties were revalued by independent external qualified valuers, Lickley Proctor Chartered Surveyors. These properties were valued on the open market value basis in accordance with the RICS Appraisal and Valuation Manual. These properties classified as tangible fixed assets were valued to £8,600,000. Another property purchased during August 2010 was not externally valued, however was deemed by the directors that the valuation would not be materially different from the purchase price of £104,940.

The directors consider that as at 31 August 2013 the property value is not materially different from the valuation noted above.

The cumulative historical cost of the properties were £8,934,489 (including £104,940 for property purchased in August 2010).

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... continued

10. Fixed asset investments	Subsidiary undertakings shares £	Investment properties £	Other investments (non-loans) £	Total £
Cost/revaluation				
At 1 September 2012	2	1,167,965	2,690,000	3,857,967
Additions/(Transfers)	-	(194,900)	-	(194,900)
Disposals	-	-	(900,000)	(900,000)
At 31 August 2013	2	973,065	1,790,000	2,763,067
Net book values				
At 31 August 2013	2	973,065	1,790,000	2,763,067
At 31 August 2012	2	1,167,965	2,690,000	3,857,967

Investment properties were valued on the open market value basis as at 31 August 2010 by independant 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 an accurate refletion of the market value at the year end 31 August 2013.

Other investments are made up as follows:

Unlisted investments	1,750,000
Unlisted debentures	40,000

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

..... 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
Subsidiary undertaking				
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	
	£	2013	2012
		£	£
Scandinavian Interiors Limited	(224)	-	
11. Stocks		2013	2012
		£	£
Finished goods and goods for resale		2,148,059	2,021,407
12. Debtors		2013	2012
		£	£
Trade debtors		67,644	129,685
13. Current asset investments		2013	2012
		£	£
Other unlisted investments		900,000	300,000

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

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14. Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	872,624	738,258
Customer deposits held	1,180,395	1,005,064
Corporation tax	-	98,268
Other taxes and social security costs	28,509	91,027
Other creditors	237,562	263,089
	<u>2,319,090</u>	<u>2,195,706</u>
 15. Provisions for liabilities		
	Deferred taxation (Note 16) £	Total £
At 1 September 2012	33,076	33,076
Movements in the year	33,772	33,772
At 31 August 2013	<u>66,848</u>	<u>66,848</u>

Gillies of Broughty Ferry Limited

Notes to the abbreviated financial statements for the year ended 31 August 2013

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16. Provision for deferred taxation	2013 £	2012 £
Accelerated capital allowances	66,848	33,077
Provision for deferred tax	66,848	33,077
Provision at 1 September 2012	33,077	
Deferred tax charge in profit and loss account	33,771	
Provision at 31 August 2013	66,848	

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	2013 £	2012 £
Authorised		
20,000 Ordinary shares of £0.50 each	10,000	10,000
Allotted, called up and fully paid		
12,872 Ordinary shares of £0.50 each	6,436	6,436
Equity Shares		
12,872 Ordinary shares of £0.50 each	6,436	6,436

18. Equity Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Investment property reserve £	Total £
At 1 September 2012	1,630,699	12,940,629	3,564	285,135	14,860,027
Profit for the year	-	884,477	-	-	884,477
Equity Dividends	-	(323,116)	-	-	(323,116)
At 31 August 2013	1,630,699	13,501,990	3,564	285,135	15,421,388

There have been no tax implications in respect of transfers made to the revaluation reserves.

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

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19. Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Profit for the year	884,477	1,057,713
Dividends	(323,116)	(365,206)
	<u>561,361</u>	<u>692,507</u>
Opening shareholders' funds	14,866,463	14,173,956
Closing shareholders' funds	<u>15,427,824</u>	<u>14,866,463</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 further updated to 30 November 2013. The main finding at the time of the 31 March valuation showed that there was a deficit on the scheme of £1,970,000. The updated valuation at 30 November 2013 had improved to a deficit of £640,000.

As part of the most recent actuarial valuation the agreed Recovery Plan suggested that the Company make annual contributions of £240,000.

As part of the approved Actuary Recovery Plan the company has committed to paying £240,000 annually up to 29 February 2016. In addition to these contributions the company will pay a one off contribution of £150,000 by 31 December 2014.

The Company has not paid for a full FRS17 valuation as at 31 August 2013, 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 2013 has not been obtained.

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

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21. Financial commitments

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
In over five years	<u>28,442</u>	<u>28,442</u>

22. Capital commitments

2013	2012
£	£

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements	<u>555,000</u>	<u>1,500,000</u>
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23. Related party transactions

Name of related party: Associated Independent Stores Limited

Nature of relationship: Mr I.R.G. Philp is also a director of Associated Independent Stores Limited

The transaction: The Company also held debenture investments in Associated Independent Stores Limited at 31 August 2013. The directors consider that on average 50% of purchases are ordered via Associated Independent Stores Limited. All purchases are made on normal trading conditions. At 31 August 2013 £0 (2012 £0) was due to Associated Independent Stores Limited (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: Philp family.

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

The transaction: Dividends paid to directors and close family members to the amount of £323,116 (2012 - £365,206).

Gillies of Broughty Ferry Limited

**Notes to the abbreviated financial statements
for the year ended 31 August 2013**

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24. Gross cash flows

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	<u>189,007</u>	<u>326,776</u>
Taxation		
Corporation tax paid	<u>(419,269)</u>	<u>(511,077)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(1,109,925)	(446,004)
Receipts from sales of tangible assets	333	42,276
Receipts from sales of investments	<u>900,000</u>	<u>300,000</u>
	<u>(209,592)</u>	<u>(103,728)</u>
Acquisitions and disposals		
Payments on acquisition of investment properties	<u>-</u>	<u>(253,965)</u>
Management of Liquid Resources		
Receipts from sales of short term investments	-	1,400,000
Payments to acquire short term investments	<u>(600,000)</u>	<u>(300,000)</u>
	<u>(600,000)</u>	<u>1,100,000</u>

25. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,833,250	226,695	2,059,945
Liquid resources	<u>300,000</u>	<u>600,000</u>	<u>900,000</u>
Net funds	<u>2,133,250</u>	<u>826,695</u>	<u>2,959,945</u>