

J.W. Filshill Limited
Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 January 2019



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for the Year Ended 31 January 2019**

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J.W. Filshill Limited

**Company Information
for the Year Ended 31 January 2019**

DIRECTORS:

R.S.M. Hannah
N.J. Hannah
S.J. Hannah
K.M. Geddes
C.S. Miller
C.D. Brown

SECRETARY:

K.M. Geddes

REGISTERED OFFICE:

Ainslie Avenue
Hillington
Glasgow
G52 4HE

REGISTERED NUMBER:

SC019246 (Scotland)

INDEPENDENT AUDITORS:

Henderson & Company
Chartered Accountants
Statutory Auditor
73 Union Street
Greenock
PA16 8BG

**Group Strategic Report
for the Year Ended 31 January 2019**

PRINCIPAL ACTIVITY

The principal activity of the Group is the supply and distribution of grocery, alcohol, tobacco, impulse and other convenience style products throughout Scotland and North of England. The Group also supplies local craft beer, spirits and other grocery products to other international markets, Asia-Pacific in particular.

REVIEW OF BUSINESS

The Group has delivered a strong set of results this year with turnover increasing by 7.3% to £155m from £145m in the previous year. The strong growth was reflected across all categories and was delivered along with a consistent gross profit percentage of 8.3%.

Living wage, pension regulation and fuel prices continue to drive up our cost base however we continue to focus on offsetting these increases through a constant drive in improving operational efficiency and maximising our use of technology and data.

The market remains highly competitive and consolidation continues in the sector however we are well positioned to continue to take advantage of the opportunities we are creating and to continue to deliver growth.

The group continues to support many local community programmes and good causes as part of our ongoing commitment to CSR.

The Directors are pleased with the group performance and are confident that profit will continue at a satisfactory level. The consolidated statement of financial position shows a strong position with net current assets of £10.3m, up from £9.8m last year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a variety of financial and non financial risks. These risks are assessed and limited where possible through a risk management programme. Examples of these risks include (in no particular order) -

The independent retail trade remains highly competitive and challenging and we seek to manage the principal risk of losing customers by aiming to deliver best in class customer service.

Any loss of support of key suppliers in terms of supply or credit is a key risk. To offset this the Group works hard to maintain strong partnership based relationships with all suppliers and was recently ranked number one by suppliers in an independent survey across our key competitors.

There is the risk of debts becoming irrecoverable. The Group operates tight credit control processes and has entered credit insurance arrangements for certain key balances.

The Brexit process has added a level of uncertainty to our business as it has done across all industries. We believe that we have taken the necessary steps to minimise the associated risks and to take advantage of the corresponding opportunities.

KEY PERFORMANCE INDICATORS

The Group measures revenue, gross margin and operating profit as key financial indicators. Stock and debtor levels are also closely monitored with KPIs such as debtor days and stock days. Non financial KPIs include staff measured performance, vehicle fuel performance, sales service levels/range achievements, unanswered telesales calls, returned orders and early warning date codes.

The directors believe that the monitoring of these KPI's is an effective part of the business performance review.

ENVIRONMENTAL MATTERS

The Group takes its impact on the environment very seriously. We have implemented a number of energy saving initiatives and also recycle waste where possible, in particular complying with the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended). The Group actively collects customers cardboard and polythene packaging waste which is baled and recycled.

**Group Strategic Report
for the Year Ended 31 January 2019**

FINANCIAL INSTRUMENTS

The company has a normal level of exposure to price, credit, liquidity and cashflow risks arising from trading activities which are all conducted in sterling.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S.J. Hannah', written in a cursive style.

S.J. Hannah - Director

27 August 2019

**Report of the Directors
for the Year Ended 31 January 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2019.

DIVIDENDS

Dividends totalling £100,000 (2018 - £100,000) were paid during the year.

FUTURE DEVELOPMENTS

There have been no significant events affecting the group since the balance sheet date.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2018 to the date of this report.

R.S.M. Hannah
N.J. Hannah
S.J. Hannah
K.M. Geddes
C.S. Miller
C.D. Brown

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**Report of the Directors
for the Year Ended 31 January 2019**

AUDITORS

The auditors, Messrs. Henderson & Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S.J. Hannah', written in a cursive style.

S.J. Hannah - Director

27 August 2019

**Report of the Independent Auditors to the Members of
J.W. Filshill Limited**

Opinion

We have audited the financial statements of J.W. Filshill Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 January 2019 and of the group's 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
J.W. Filshill Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.


Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Henderson (Senior Statutory Auditor)
for and on behalf of Messrs. Henderson & Company
Chartered Accountants
Statutory Auditor
73 Union Street
Greenock
PA16 8BG

28 August 2019

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 January 2019**

	Notes	2019 £	2018 £
TURNOVER	3	155,147,327	144,575,278
Cost of sales		<u>142,166,755</u>	<u>132,601,909</u>
GROSS PROFIT		12,980,572	11,973,369
Distribution costs		6,582,908	6,033,231
Administrative expenses		<u>5,315,759</u>	<u>5,014,402</u>
		<u>11,898,667</u>	<u>11,047,633</u>
Other operating income		1,081,905	925,736
		<u>26,896</u>	<u>57,369</u>
OPERATING PROFIT	5	1,108,801	983,105
Income from fixed asset investments		4,513	-
Interest receivable and similar income		<u>89</u>	<u>23</u>
		<u>4,602</u>	<u>23</u>
		1,113,403	983,128
Gain/loss on revaluation of investment property		<u>-</u>	<u>75,000</u>
		1,113,403	1,058,128
Interest payable and similar expenses	6	<u>151,178</u>	<u>161,665</u>
PROFIT BEFORE TAXATION		962,225	896,463
Tax on profit	7	<u>260,217</u>	<u>204,180</u>
PROFIT FOR THE FINANCIAL YEAR		702,008	692,283
OTHER COMPREHENSIVE			
Income tax relating to other comprehensive		-	-
OTHER COMPREHENSIVE FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>702,008</u>	<u>692,283</u>
Profit attributable to:			
Owners of the parent		691,602	662,739
Non-controlling interests		<u>10,406</u>	<u>29,544</u>
		<u>702,008</u>	<u>692,283</u>
Total comprehensive income attributable to:			
Owners of the parent		691,602	662,739
Non-controlling interests		<u>10,406</u>	<u>29,544</u>
		<u>702,008</u>	<u>692,283</u>

The notes form part of these financial statements

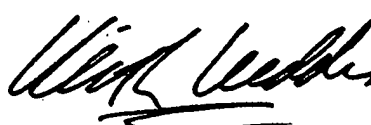
Consolidated Statement of Financial Position
31 January 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	10	31,635	65,565
Tangible assets	11	4,937,708	5,127,575
Investments	12	140,161	115,161
Investment property	13	<u>1,505,000</u>	<u>1,166,540</u>
		6,614,504	6,474,841
CURRENT ASSETS			
Stocks	14	11,041,156	10,486,168
Debtors	15	15,655,364	18,283,475
Cash at bank		<u>56,190</u>	<u>79,608</u>
		26,752,710	28,849,251
CREDITORS			
Amounts falling due within one year	16	<u>16,444,959</u>	<u>19,053,490</u>
NET CURRENT ASSETS		<u>10,307,751</u>	<u>9,795,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,922,255	16,270,602
CREDITORS			
Amounts falling due after more than one year	17	(3,941,423)	(3,888,034)
PROVISIONS FOR LIABILITIES	21	<u>(38,076)</u>	<u>(41,820)</u>
NET ASSETS		<u>12,942,756</u>	<u>12,340,748</u>
CAPITAL AND RESERVES			
Called up share capital	22	275,000	275,000
Capital redemption reserve	23	125,000	125,000
Non distributable reserves	23	1,127,029	1,127,029
Retained earnings	23	<u>11,465,120</u>	<u>10,873,518</u>
SHAREHOLDERS' FUNDS		12,992,149	12,400,547
NON-CONTROLLING INTERESTS		<u>(49,393)</u>	<u>(59,799)</u>
TOTAL EQUITY		<u>12,942,756</u>	<u>12,340,748</u>

The financial statements were approved by the Board of Directors on 27 August 2019 and were signed on its behalf by:



S.J. Hannah
Director



K.M. Geddes
Director

Company Statement of Financial Position
31 January 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	10	35,000	72,300
Tangible assets	11	4,929,354	4,778,979
Investments	12	907,910	882,910
Investment property	13	<u>405,000</u>	<u>405,000</u>
		6,277,264	6,139,189
CURRENT ASSETS			
Stocks	14	11,002,423	10,472,631
Debtors	15	15,810,125	18,447,928
Cash at bank		<u>11,470</u>	<u>7,196</u>
		26,824,018	28,927,755
CREDITORS			
Amounts falling due within one year	16	<u>16,744,407</u>	<u>19,236,604</u>
NET CURRENT ASSETS		<u>10,079,611</u>	<u>9,691,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,356,875	15,830,340
CREDITORS			
Amounts falling due after more than one year	17	(3,941,423)	(3,888,034)
PROVISIONS FOR LIABILITIES	21	<u>(38,197)</u>	<u>(41,441)</u>
NET ASSETS		<u>12,377,255</u>	<u>11,900,865</u>
CAPITAL AND RESERVES			
Called up share capital	22	275,000	275,000
Capital redemption reserve	23	125,000	125,000
Non distributable reserves	23	1,236,754	1,236,754
Retained earnings	23	<u>10,740,501</u>	<u>10,264,111</u>
SHAREHOLDERS' FUNDS		<u>12,377,255</u>	<u>11,900,865</u>
Company's profit for the financial year		<u>576,390</u>	<u>519,790</u>

The financial statements were approved by the Board of Directors on 27 August 2019 and were signed on its behalf by:



S.J. Hannah
Director



K.M. Geddes
Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 31 January 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £
Balance at 1 February 2017	275,000	10,385,779	125,000
Changes in equity			
Dividends	-	(100,000)	-
Total comprehensive income	-	587,739	-
Balance at 31 January 2018	<u>275,000</u>	<u>10,873,518</u>	<u>125,000</u>
Changes in equity			
Dividends	-	(100,000)	-
Total comprehensive income	-	691,602	-
Balance at 31 January 2019	<u>275,000</u>	<u>11,465,120</u>	<u>125,000</u>

	Non distributable reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 February 2017	1,052,029	11,837,808	(89,343)	11,748,465
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	<u>75,000</u>	<u>662,739</u>	<u>29,544</u>	<u>692,283</u>
Balance at 31 January 2018	<u>1,127,029</u>	<u>12,400,547</u>	<u>(59,799)</u>	<u>12,340,748</u>
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	691,602	10,406	702,008
Balance at 31 January 2019	<u>1,127,029</u>	<u>12,992,149</u>	<u>(49,393)</u>	<u>12,942,756</u>

**Company Statement of Changes in Equity
for the Year Ended 31 January 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Non distributable reserves £	Total equity £
Balance at 1 February 2017	275,000	9,919,321	125,000	1,161,754	11,481,075
Changes in equity					
Dividends	-	(100,000)	-	-	(100,000)
Total comprehensive income	<u>-</u>	<u>444,790</u>	<u>-</u>	<u>75,000</u>	<u>519,790</u>
Balance at 31 January 2018	<u>275,000</u>	<u>10,264,111</u>	<u>125,000</u>	<u>1,236,754</u>	<u>11,900,865</u>
Changes in equity					
Dividends	-	(100,000)	-	-	(100,000)
Total comprehensive income	<u>-</u>	<u>576,390</u>	<u>-</u>	<u>-</u>	<u>576,390</u>
Balance at 31 January 2019	<u>275,000</u>	<u>10,740,501</u>	<u>125,000</u>	<u>1,236,754</u>	<u>12,377,255</u>

Consolidated Statement of Cash Flows
for the Year Ended 31 January 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	2,786,595	793,913
Interest paid		(33,592)	(39,560)
Interest element of hire purchase payments paid		(14,461)	(18,980)
Finance costs paid		(103,125)	(103,125)
Tax paid		<u>(231,611)</u>	<u>(203,610)</u>
Net cash from operating activities		<u>2,403,806</u>	<u>428,638</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(421,840)	(452,034)
Purchase of fixed asset investments		(25,000)	-
Sale of tangible fixed assets		43,358	-
Interest received		89	23
Dividends received		<u>4,513</u>	<u>-</u>
Net cash from investing activities		<u>(398,880)</u>	<u>(452,011)</u>
 Cash flows from financing activities			
Capital repayments in year		(197,138)	(237,089)
Equity dividends paid		<u>(100,000)</u>	<u>(100,000)</u>
Net cash from financing activities		<u>(297,138)</u>	<u>(337,089)</u>
 Increase/(decrease) in cash and cash equivalents		<u>1,707,788</u>	<u>(360,462)</u>
Cash and cash equivalents at beginning of year	2	<u>(4,481,334)</u>	<u>(4,120,872)</u>
 Cash and cash equivalents at end of year	2	<u><u>(2,773,546)</u></u>	<u><u>(4,481,334)</u></u>

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 January 2019**

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

	2019	2018
	£	£
Profit before taxation	962,225	896,463
Depreciation charges	616,058	555,450
Profit on disposal of fixed assets	(42,571)	-
Gain on revaluation of fixed assets	-	(75,000)
Finance costs	151,178	161,665
Finance income	<u>(4,602)</u>	<u>(23)</u>
	1,682,288	1,538,555
(Increase)/decrease in stocks	(554,988)	143,487
Decrease/(increase) in trade and other debtors	2,628,111	(1,655,535)
(Decrease)/increase in trade and other creditors	<u>(968,816)</u>	<u>767,406</u>
Cash generated from operations	<u>2,786,595</u>	<u>793,913</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 January 2019

	31.1.19	1.2.18
	£	£
Cash and cash equivalents	56,190	79,608
Bank overdrafts	<u>(2,829,736)</u>	<u>(4,560,942)</u>
	<u>(2,773,546)</u>	<u>(4,481,334)</u>

Year ended 31 January 2018

	31.1.18	1.2.17
	£	£
Cash and cash equivalents	79,608	117,956
Bank overdrafts	<u>(4,560,942)</u>	<u>(4,238,828)</u>
	<u>(4,481,334)</u>	<u>(4,120,872)</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 January 2019**

1. STATUTORY INFORMATION

J.W. Filshill Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. These financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investment properties measured at fair value in accordance with the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Significant judgements and estimates

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Valuation of land and buildings

As described in notes 11 and 13 to the financial statements, land and buildings and investments properties are stated at fair value based on the valuations performed by an independent professional valuer GVA James Barr, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the specific assets.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019**

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Intangible assets

Goodwill arising on acquisition of a business is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis over its useful economic life up to a presumed maximum of 10 years.

Tangible fixed assets

Land and buildings held and used in the company's own activities are stated in the statement of financial position at their revalued amounts. The revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated. Revaluations are carried out regularly so that carrying amounts do not materially differ from the fair value at the date of the statement of financial position. Any revaluation increase or decrease on land and buildings is credited to a non distributable reserve.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over their expected useful lives as follows:

Plant and Machinery - 10% straight line

Motor Vehicles - 20% straight line

Fixtures and Fittings - 10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate or if there is an indication of significant change since the last reporting date.

Investment properties are stated in the statement of financial position at their revalued amounts. Revaluations are carried out regularly so that carrying amounts do not materially differ from the fair value at the date of the statement of financial position. Any revaluation increase or decrease on investment properties is credited to a non distributable reserve.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amounts of any write downs to stock to net realisable value and all losses of stocks are recognised as an expense in the period in which the write down or loss occurs.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019**

2. ACCOUNTING POLICIES - continued

Taxation

The tax expense for the year comprises current and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount for deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position bank overdrafts are shown within borrowings in current liabilities.

Hire purchase and leasing commitments

Assets held under finance lease and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straightline basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

2. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and thereafter stated at amortised cost using the effective interest method, less any impairment

Creditors

Basic financial instruments, including preference shares that are classified as debt, are measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is initially measured at fair value and subsequently at amortised cost using the effective interest method.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

During the year ended 31 January 2019 all turnover was derived within the United Kingdom, except for export sales of £534,739 (2018 - £781,955).

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	6,080,335	5,804,031
Social security costs	516,109	476,037
Other pension costs	262,667	249,916
	<u>6,859,111</u>	<u>6,529,984</u>

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

	2019	2018
Directors	6	6
Administration	33	31
Distribution and marketing	170	164
	<u>209</u>	<u>201</u>

	2019 £	2018 £
Directors' remuneration	567,720	622,280
Directors' pension contributions to money purchase schemes	<u>81,823</u>	<u>55,407</u>

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

	2019	2018
Money purchase schemes	<u>5</u>	<u>5</u>

Information regarding the highest paid director is as follows:

	2019 £	2018 £
Emoluments etc	143,965	143,538
Pension contributions to money purchase schemes	<u>19,750</u>	<u>19,750</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

5. **OPERATING PROFIT**

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

	2019	2018
	£	£
Other operating leases	345,269	340,420
Depreciation - owned assets	390,496	351,073
Depreciation - assets on hire purchase contracts	191,632	170,447
Profit on disposal of fixed assets	(42,571)	-
Goodwill amortisation	37,300	37,300
Negative goodwill amortisation	(3,370)	(3,370)
Auditors' remuneration	21,300	21,275
Taxation compliance services	4,200	4,200
Other non- audit services	<u>6,864</u>	<u>6,903</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank interest	33,592	39,560
Hire purchase	14,461	18,980
Preference dividend	<u>103,125</u>	<u>103,125</u>
	<u>151,178</u>	<u>161,665</u>

7. **TAXATION**

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	263,961	211,611
Deferred tax	<u>(3,744)</u>	<u>(7,431)</u>
Tax on profit	<u>260,217</u>	<u>204,180</u>

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Profit before tax	<u>962,225</u>	<u>896,463</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	182,823	170,328
Effects of:		
Expenses not deductible for tax purposes	73,863	45,852
Depreciation in excess of capital allowances	11,977	7,555
Change of corporation tax rate during year created in year	-	1,786
Deferred tax in year on advanced capital allowances	(3,744)	(7,431)
Subsidiary company losses utilised in year	<u>(4,702)</u>	<u>(13,910)</u>
Total tax charge	<u>260,217</u>	<u>204,180</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

8. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The parent company's profit for the financial year was £576,390 (2018 - £519,790).

9. **DIVIDENDS**

	2019 £	2018 £
Final	<u>100,000</u>	<u>100,000</u>

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £	Negative goodwill £	Totals £
COST			
At 1 February 2018 and 31 January 2019	<u>2,003,471</u>	<u>(33,701)</u>	<u>1,969,770</u>
AMORTISATION			
At 1 February 2018	1,931,165	(26,960)	1,904,205
Amortisation for year	<u>37,300</u>	<u>(3,370)</u>	<u>33,930</u>
At 31 January 2019	<u>1,968,465</u>	<u>(30,330)</u>	<u>1,938,135</u>
NET BOOK VALUE			
At 31 January 2019	<u>35,006</u>	<u>(3,371)</u>	<u>31,635</u>
At 31 January 2018	<u>72,306</u>	<u>(6,741)</u>	<u>65,565</u>

Company

	Goodwill £
COST	
At 1 February 2018 and 31 January 2019	<u>274,000</u>
AMORTISATION	
At 1 February 2018	201,700
Amortisation for year	<u>37,300</u>
At 31 January 2019	<u>239,000</u>
NET BOOK VALUE	
At 31 January 2019	<u>35,000</u>
At 31 January 2018	<u>72,300</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

11. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 February 2018	3,664,548	1,233,088	2,966,844	2,670,425	10,534,905
Additions	-	50,804	300,876	379,828	731,508
Disposals	-	(300)	-	(386,107)	(386,407)
Reclassification/transfer	(338,460)	-	-	-	(338,460)
At 31 January 2019	<u>3,326,088</u>	<u>1,283,592</u>	<u>3,267,720</u>	<u>2,664,146</u>	<u>10,541,546</u>
DEPRECIATION					
At 1 February 2018	-	903,125	2,518,159	1,986,046	5,407,330
Charge for year	-	90,357	210,844	280,927	582,128
Eliminated on disposal	-	(125)	-	(385,495)	(385,620)
At 31 January 2019	<u>-</u>	<u>993,357</u>	<u>2,729,003</u>	<u>1,881,478</u>	<u>5,603,838</u>
NET BOOK VALUE					
At 31 January 2019	<u>3,326,088</u>	<u>290,235</u>	<u>538,717</u>	<u>782,668</u>	<u>4,937,708</u>
At 31 January 2018	<u>3,664,548</u>	<u>329,963</u>	<u>448,685</u>	<u>684,379</u>	<u>5,127,575</u>

The group's principal premises and one retail unit were revalued at 31 January 2015 and 31 January 2017 to £2,930,000. Both of the revaluations were carried out by GVA James Barr, chartered surveyors, who are independent of the company and have experience of valuing similar properties. All freehold property has been revalued on a fair value existing use basis. Since the valuations were carried out the group has incurred capital expenditure of £396,088 on an extension to its premises and the directors are of the opinion that the fair value of the properties at 31 January 2019 is £3,326,088.

At 31 January 2019 the historical cost of the freehold property was £2,515,508 (2018 - £2,515,508).

The written down value of tangible fixed assets includes £816,437 (2018 - £701,106) in respect of fixed assets held under hire purchase agreements.

Company	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 February 2018	3,326,088	1,183,318	2,966,844	2,670,425	10,146,675
Additions	-	48,028	300,876	379,828	728,732
Disposals	-	(300)	-	(386,107)	(386,407)
At 31 January 2019	<u>3,326,088</u>	<u>1,231,046</u>	<u>3,267,720</u>	<u>2,664,146</u>	<u>10,489,000</u>
DEPRECIATION					
At 1 February 2018	-	863,491	2,518,159	1,986,046	5,367,696
Charge for year	-	85,799	210,844	280,927	577,570
Eliminated on disposal	-	(125)	-	(385,495)	(385,620)
At 31 January 2019	<u>-</u>	<u>949,165</u>	<u>2,729,003</u>	<u>1,881,478</u>	<u>5,559,646</u>
NET BOOK VALUE					
At 31 January 2019	<u>3,326,088</u>	<u>281,881</u>	<u>538,717</u>	<u>782,668</u>	<u>4,929,354</u>
At 31 January 2018	<u>3,326,088</u>	<u>319,827</u>	<u>448,685</u>	<u>684,379</u>	<u>4,778,979</u>

The company's principal premises and one retail unit were revalued at 31 January 2015 and 31 January 2017 to £2,930,000. Both of the revaluations were carried out by GVA James Barr, chartered surveyors, who are independent of the company and have experience of valuing similar properties. All freehold property has been valued on a fair value existing use basis. Since the valuations were carried out the company has incurred capital expenditure of £396,088 on an extension to its premises and the directors are of the opinion that the fair value of the properties at 31 January 2019 is £3,326,088.

At 31 January 2019 the historical cost of the freehold property was £2,515,508 (2018 - £2,515,508).

The written down value of tangible fixed assets includes £816,437 (2018 - £701,106) in respect of fixed assets held under hire purchase agreements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

12. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
At 1 February 2018	115,161
Additions	<u>25,000</u>
At 31 January 2019	<u>140,161</u>
NET BOOK VALUE	
At 31 January 2019	<u>140,161</u>
At 31 January 2018	<u>115,161</u>

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 February 2018	767,749	115,161	882,910
Additions	<u>-</u>	<u>25,000</u>	<u>25,000</u>
At 31 January 2019	<u>767,749</u>	<u>140,161</u>	<u>907,910</u>
NET BOOK VALUE			
At 31 January 2019	<u>767,749</u>	<u>140,161</u>	<u>907,910</u>
At 31 January 2018	<u>767,749</u>	<u>115,161</u>	<u>882,910</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Nethercommon Holdings Ltd.

Registered office: 73 Union Street, Greenock, PA16 8BG

Nature of business: Holding Company

Class of shares:	%
Ordinary	holding 100.00

Nethercommon Holdings Limited has a wholly owned subsidiary company, Nethercommon Properties Limited.

J.W. Filshill International Limited

Registered office: Ainslie Avenue, Hillington, Glasgow, G52 4HE

Nature of business: Beer Distributors

Class of shares:	%
Ordinary	holding 60.00

Clan Brewing Company Limited

Registered office: Ainslie Avenue, Hillington, Glasgow, G52 4HE

Nature of business: Beer Manufacturers

Class of shares:	%
Ordinary	holding 51.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 February 2018	1,166,540
Reclassification/transfer	<u>338,460</u>
At 31 January 2019	<u>1,505,000</u>
NET BOOK VALUE	
At 31 January 2019	<u>1,505,000</u>
At 31 January 2018	<u>1,166,540</u>

Two of the group's investment properties were revalued at 31 January 2015 and 31 January 2017 to £1,280,000. Both of the revaluations were carried out by GVA James Barr, chartered surveyors, who are independent of the group and have experience of valuing similar properties. The directors have valued the group's third investment property at £225,000. The directors are of the opinion that these valuations were appropriate at 31 January 2019. All investment properties have been valued on a fair value basis.

At 31 January 2019 the historical cost of the investment property was £1,143,886 (2018 - £1,143,886).

Company

	Total £
FAIR VALUE	
At 1 February 2018 and 31 January 2019	<u>405,000</u>
NET BOOK VALUE	
At 31 January 2019	<u>405,000</u>
At 31 January 2018	<u>405,000</u>

One of the company's investment properties was revalued at 31 January 2017 to £180,000. The valuation was carried out by GVA James Barr, chartered surveyors, who are independent of the company and have experience of valuing similar properties. The directors have valued the company's second investment property at £225,000. Both investment properties have been valued on a fair value basis. The directors are of the opinion that these valuations were appropriate at 31 January 2019.

At 31 January 2019 the historical cost of the investment property was £424,435 (2018 - £424,435).

14. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Diesel stock	11,980	51,163	11,980	51,163
Goods for resale	<u>11,029,176</u>	<u>10,435,005</u>	<u>10,990,443</u>	<u>10,421,468</u>
	<u>11,041,156</u>	<u>10,486,168</u>	<u>11,002,423</u>	<u>10,472,631</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	13,556,467	16,233,369	13,515,254	16,183,971
Amounts owed by group undertakings	-	-	211,704	221,796
Other debtors	1,894,709	1,791,743	1,880,696	1,789,860
Prepayments	204,188	258,363	202,471	252,301
	<u>15,655,364</u>	<u>18,283,475</u>	<u>15,810,125</u>	<u>18,447,928</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 18)	2,829,736	4,560,942	2,829,736	4,560,942
Hire purchase contracts (see note 19)	247,898	188,757	247,898	188,757
Trade creditors	11,794,665	13,122,791	11,786,891	13,084,399
Amounts owed to group undertakings	-	-	348,924	267,788
Tax	163,961	131,611	140,590	108,279
Social security and other taxes	127,579	116,015	127,579	116,015
VAT	529,557	397,723	527,622	396,191
Other creditors	279,084	268,812	278,756	268,482
Accrued expenses	472,479	266,839	456,411	245,751
	<u>16,444,959</u>	<u>19,053,490</u>	<u>16,744,407</u>	<u>19,236,604</u>

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Preference shares (see note 18)	3,437,500	3,437,500	3,437,500	3,437,500
Hire purchase contracts (see note 19)	503,923	450,534	503,923	450,534
	<u>3,941,423</u>	<u>3,888,034</u>	<u>3,941,423</u>	<u>3,888,034</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>2,829,736</u>	<u>4,560,942</u>	<u>2,829,736</u>	<u>4,560,942</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Preference shares	<u>3,437,500</u>	<u>3,437,500</u>	<u>3,437,500</u>	<u>3,437,500</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019**

Details of shares shown as liabilities are as follows:

The 3% cumulative redeemable preference shares are redeemable at par in 2026 with an option held by the company to spread the redemption over 10 years. The holders have a right to an annual dividend of 3% out of any profits of the company which are available for distribution. Each holder of preference shares shall have the right to receive notice of all general meetings, or proposed members resolutions, but shall have no right to attend or vote at such meeting or to consent to such proposed written resolution. On the return of assets on liquidation, capital reduction or otherwise the assets of the company remaining after the payment of its liabilities shall firstly be applied in paying the holders of the preference shares an amount equivalent to the par value of the preference shares together with any arrears of the preferred dividends. If there is a shortfall of assets remaining to satisfy the entitlements of preference share holders in full the proceeds shall be distributed to the holders of the preference shares in proportion to the amounts due to each such share held.

The 3% cumulative redeemable preference shares are classified as a long term liability as the issuer has an obligation to transfer cash or other financial assets to the holders from 2026.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	247,898	188,757
Between one and five years	<u>503,923</u>	<u>450,534</u>
	<u>751,821</u>	<u>639,291</u>

Company

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	247,898	188,757
Between one and five years	<u>503,923</u>	<u>450,534</u>
	<u>751,821</u>	<u>639,291</u>

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	204,350	195,210
Between one and five years	<u>109,255</u>	<u>35,357</u>
	<u>313,605</u>	<u>230,567</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

19. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	204,350	195,210
Between one and five years	<u>109,255</u>	<u>35,357</u>
	<u>313,605</u>	<u>230,567</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank overdrafts	2,829,736	4,560,942	2,829,736	4,560,942
Trade Creditors	<u>1,178,292</u>	<u>1,667,306</u>	<u>1,178,292</u>	<u>1,667,306</u>
	<u>4,008,028</u>	<u>6,228,248</u>	<u>4,008,028</u>	<u>6,228,248</u>

The company has granted a first ranking bond and floating charge in favour of its bankers. The bank also have a standard security over one of the company's retail outlets. It has also granted a bond and floating charge on the reversion in favour of Gallaher Ltd.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>38,076</u>	<u>41,820</u>	<u>38,197</u>	<u>41,441</u>

Group

	Deferred tax
	£
Balance at 1 February 2018	41,820
Credit to Statement of Comprehensive Income during year	<u>(3,744)</u>
Balance at 31 January 2019	<u>38,076</u>

Company

	Deferred tax
	£
Balance at 1 February 2018	41,441
Credit to Statement of Comprehensive Income during year	<u>(3,244)</u>
Balance at 31 January 2019	<u>38,197</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 January 2019

21. PROVISIONS FOR LIABILITIES - continued

Deferred tax has been calculated assuming a tax rate of 19% (2018 - 19%) and arises as a result of capital allowances exceeding depreciation charges on the respective assets to date.

No taxation charge would arise if the group sold its properties at the revalued amounts due to the availability of indexation allowances.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
275,000	Ordinary	£1	<u>275,000</u>	<u>275,000</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

23. RESERVES**Group**

	Retained earnings £	Capital redemption reserve £	Non distributable reserves £	Totals £
At 1 February 2018	10,873,518	125,000	1,127,029	12,125,547
Profit for the year	691,602			691,602
Dividends	<u>(100,000)</u>			<u>(100,000)</u>
At 31 January 2019	<u>11,465,120</u>	<u>125,000</u>	<u>1,127,029</u>	<u>12,717,149</u>

Company

	Retained earnings £	Capital redemption reserve £	Non distributable reserves £	Totals £
At 1 February 2018	10,264,111	125,000	1,236,754	11,625,865
Profit for the year	576,390			576,390
Dividends	<u>(100,000)</u>			<u>(100,000)</u>
At 31 January 2019	<u>10,740,501</u>	<u>125,000</u>	<u>1,236,754</u>	<u>12,102,255</u>

24. RELATED PARTY DISCLOSURES

At 31 January 2019 the company and group owed a total of £33,445 (2018 - £39,077) to three directors. These outstanding balances are interest free and there is no fixed date for repayment.

25. ULTIMATE CONTROLLING PARTY

The controlling party is Mr. R.S.M. Hannah by virtue of his ownership of 55.64% of the issued share capital.