

**Wallace Group Limited**  
**Annual report and financial statements**  
**for the year ended 30 November 2018**

**Registered Number SC245921**

**COMPANIES HOUSE**  
**EDINBURGH**

**29 AUG 2019**

**FRONT DESK**



# **Wallace Group Limited**

## **Annual report and financial statements for the year ended 30 November 2018**

### **Contents**

|                                                                                          |    |
|------------------------------------------------------------------------------------------|----|
| Directors and advisers for the year ended 30 November 2018 .....                         | 1  |
| Directors' report for the year ended 30 November 2018.....                               | 2  |
| <i>Independent auditors' report to the members of Wallace Group Limited</i> .....        | 5  |
| Consolidated statement of comprehensive income for the year ended 30 November 2018 ..... | 7  |
| Balance sheets as at 30 November 2018 .....                                              | 8  |
| Consolidated statement of changes in equity for the year ended 30 November 2018 .....    | 9  |
| Company statement of changes in equity for the year ended 30 November 2018.....          | 10 |
| Consolidated cash flow statement for the year ended 30 November 2018 .....               | 11 |
| Notes to the financial statements for the year ended 30 November 2018.....               | 12 |

# **Wallace Group Limited**

## **Directors and advisers for the year ended 30 November 2018**

### **Directors**

H Turnbull

J Turnbull

K Turnbull

KL Turnbull

### **Secretary**

H Turnbull

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

141 Bothwell Street

Glasgow

G2 7QE

### **Solicitors**

BTO Solicitors LLP

48 St Vincent Street

Glasgow

G2 5HS

Brodies LLP

15 Atholl Crescent

Edinburgh

EH3 8HA

### **Registered office**

Wallace House

Whitehouse Road

Stirling

FK7 7TA

### **Bankers**

Clydesdale Bank plc

158/162 High Street

Perth

PH1 5UH

# Wallace Group Limited

## Directors' report for the year ended 30 November 2018

**Registered Number SC245921**

The directors present their report and the audited consolidated financial statements for the year ended 30 November 2018.

### **Business review and principal activities**

Wallace Group Limited ("the company") comprises Stirling Stone Ltd, Toffolo Stirling Ltd, Natstone Developments Ltd, Construction Materials Consultants Ltd and Stone Design Ltd, offering a unique, diverse service within the dimensional stone industry throughout the United Kingdom.

The directors take into consideration:

- The likely consequences of any decision in the long term;
- The interests of the groups employees;
- The need to foster the groups business relationships with suppliers, customers and others;
- The impact of the group operations on the community and the environment;
- The desirability for the group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between the company's members.

The results for the group show a loss before taxation for the financial year of £114,000 (2017: profit £307,000) and sales of £4,886,000 (2017: £5,351,000). The consolidated statement of comprehensive income for the year is set out on page 7.

The group has net assets of £485,000 (2017: £589,000).

### **Future outlook**

Turnover and accordingly return have been temporarily reduced because of several secured major projects being deferred to the next financial year.

This has resulted in an increase in turnover and profitability in the next financial year and on into 2020, with significant works already secured despite continued uncertainty of Brexit.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from other stone companies, employee retention and material availability.

### **Key performance Indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

# Wallace Group Limited

## Directors' report for the year ended 30 November 2018 (continued)

### Dividends and deductions from reserves

The directors do not recommend payment of a dividend to equity holders. The loss after tax for the financial year of £104,000 (2017: profit after tax £257,000) will be deducted from reserves.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as listed on page 1.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Wallace Group Limited

## Directors' report for the year ended 30 November 2018 (continued)

### Disclosure of information to independent auditors

In the case of each director in office at the date the Directors' Report is approved:

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

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### Small company provisions

This report has been prepared, where appropriate, prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the Board



H Turnbull

**Director**

28 August 2019

# Wallace Group Limited

## *Independent auditors' report to the members of Wallace Group Limited*

### **Report on the audit of the financial statements**

---

#### **Opinion**

In our opinion, Wallace Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2018 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the group and company balance sheets as at 30 November 2018; the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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 and company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

# Wallace Group Limited

## ***Independent auditors' report to the members of Wallace Group Limited (continued)***

### *Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 30 November 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

---

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 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 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 an auditors' report 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

---

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
29 August 2019

# Wallace Group Limited

## Consolidated statement of comprehensive income for the year ended 30 November 2018

|                                                             | Note | Year ended<br>30 Nov<br>2018<br>£'000 | Year ended<br>30 Nov<br>2017<br>£'000 |
|-------------------------------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>Turnover</b>                                             | 5    | <b>4,886</b>                          | 5,351                                 |
| Cost of sales                                               |      | (2,842)                               | (2,846)                               |
| <b>Gross profit</b>                                         |      | <b>2,044</b>                          | 2,505                                 |
| Administrative expenses                                     |      | (2,179)                               | (2,197)                               |
| Other operating income                                      | 8    | 22                                    | -                                     |
| <b>Operating (loss)/profit</b>                              | 9    | <b>(113)</b>                          | 308                                   |
| Interest payable and similar charges                        | 10   | (1)                                   | (1)                                   |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | <b>(114)</b>                          | 307                                   |
| Tax on (loss)/profit on ordinary activities                 | 11   | 10                                    | (50)                                  |
| <b>(Loss)/profit for the financial year</b>                 |      | <b>(104)</b>                          | 257                                   |
| Other comprehensive income                                  |      | -                                     | -                                     |
| <b>Total comprehensive (expense)/income for the</b>         |      | <b>(104)</b>                          | 257                                   |

All items dealt with in arriving at (loss)/profit on ordinary activities before taxation relate to continuing operations.

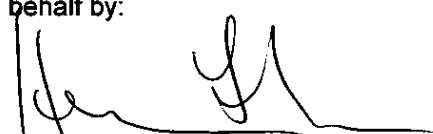
# Wallace Group Limited

## Balance sheets as at 30 November 2018

|                                                         | Note | Group<br>30 Nov 2018<br>£'000 | Company<br>30 Nov 2018<br>£'000 | Group<br>30 Nov 2017<br>£'000 | Company<br>30 Nov 2017<br>£'000 |
|---------------------------------------------------------|------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| <b>Fixed assets</b>                                     |      |                               |                                 |                               |                                 |
| Intangible assets                                       | 12   | 67                            | -                               | 79                            | -                               |
| Tangible fixed assets                                   | 13   | 27                            | -                               | 33                            | -                               |
| Investments                                             | 14   | -                             | 40                              | -                             | 40                              |
|                                                         |      | <b>94</b>                     | <b>40</b>                       | <b>112</b>                    | <b>40</b>                       |
| <b>Current assets</b>                                   |      |                               |                                 |                               |                                 |
| Stocks                                                  | 15   | 55                            | -                               | 49                            | -                               |
| Debtors                                                 | 16   | 1,245                         | 13                              | 1,750                         | 13                              |
| Cash at bank and in hand                                |      | 384                           | -                               | 605                           | -                               |
|                                                         |      | <b>1,684</b>                  | <b>13</b>                       | <b>2,404</b>                  | <b>13</b>                       |
| Creditors: amounts falling due within one year          | 17   | (1,274)                       | -                               | (1,901)                       | -                               |
| <b>Net current assets</b>                               |      | <b>410</b>                    | <b>13</b>                       | <b>503</b>                    | <b>13</b>                       |
| <b>Total assets less current liabilities</b>            |      | <b>504</b>                    | <b>53</b>                       | <b>615</b>                    | <b>53</b>                       |
| Creditors: amounts falling due after more than one year | 18   | (19)                          | -                               | (26)                          | -                               |
| <b>Net assets</b>                                       |      | <b>485</b>                    | <b>53</b>                       | <b>589</b>                    | <b>53</b>                       |
| <b>Capital and reserves</b>                             |      |                               |                                 |                               |                                 |
| Called up share capital                                 | 20   | 125                           | 125                             | 125                           | 125                             |
| Profit and loss account                                 |      | 360                           | (72)                            | 464                           | (71)                            |
| <b>Total shareholders' funds</b>                        |      | <b>485</b>                    | <b>53</b>                       | <b>589</b>                    | <b>54</b>                       |

The notes on pages 12 to 29 are an integral part of these financial statements.

The financial statements on pages 7 to 29, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15, were approved by the board of directors on 28 August 2019 and signed on its behalf by:



**H Turnbull**  
Director

## Wallace Group Limited

### Consolidated statement of changes in equity For the year ended 30 November 2018

|                                                    | Share<br>Capital<br>£'000 | Profit<br>and Loss<br>Account<br>£'000 | Total<br>£'000 |
|----------------------------------------------------|---------------------------|----------------------------------------|----------------|
| As at 1 December 2016                              | 125                       | 207                                    | 332            |
| Profit and total comprehensive income for the year | -                         | 257                                    | 257            |
| As at 30 November 2017                             | 125                       | 464                                    | 589            |
| As at 1 December 2017                              | 125                       | 464                                    | 589            |
| Comprehensive loss for the year                    | -                         | (104)                                  | (104)          |
| <b>As at 30 November 2018</b>                      | <b>125</b>                | <b>360</b>                             | <b>485</b>     |

## Wallace Group Limited

### Company statement of changes in equity For the year ended 30 November 2018

|                                                    | Share<br>Capital<br>£'000 | Profit and<br>Loss<br>Account<br>£'000 | Total<br>£'000 |
|----------------------------------------------------|---------------------------|----------------------------------------|----------------|
| As at 1 December 2016                              | 125                       | (71)                                   | 54             |
| Profit and total comprehensive income for the year | -                         | -                                      | -              |
| As at 30 November 2017                             | 125                       | (71)                                   | 54             |
| As at 1 December 2017                              | 125                       | (71)                                   | 54             |
| Loss and total comprehensive expense for the year  | -                         | (1)                                    | (1)            |
| <b>As at 30 November 2018</b>                      | <b>125</b>                | <b>(72)</b>                            | <b>53</b>      |

# Wallace Group Limited

## Consolidated cash flow statement for the year ended 30 November 2018

|                                                             | Note | Year ended<br>30 Nov<br>2018<br>£'000 | Year ended<br>30 Nov<br>2017<br>£'000 |
|-------------------------------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>Net cash outflow from operating activities</b>           | 23   | <b>(165)</b>                          | <b>(212)</b>                          |
| Taxation paid                                               |      | <b>(45)</b>                           | <b>(11)</b>                           |
| <b>Net cash used in operating activities</b>                |      | <b>(210)</b>                          | <b>(223)</b>                          |
| <b>Cash outflow from investing activities</b>               |      |                                       |                                       |
| Expenditures on investments and servicing finance           |      | <b>(1)</b>                            | <b>(1)</b>                            |
| Capital expenditure                                         |      | <b>(3)</b>                            | <b>(32)</b>                           |
| <b>Net cash used in investing activities</b>                |      | <b>(4)</b>                            | <b>(33)</b>                           |
| <b>Cash flow from financing activities</b>                  |      |                                       |                                       |
| (Decrease)/increase of debt                                 |      | <b>(7)</b>                            | <b>31</b>                             |
| <b>Net cash used in financing activities</b>                |      | <b>(7)</b>                            | <b>31</b>                             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>(221)</b>                          | <b>(225)</b>                          |
| Cash and cash equivalents at the beginning of the year      |      | <b>605</b>                            | <b>830</b>                            |
| <b>Cash and cash equivalents at the end of the year</b>     |      | <b>384</b>                            | <b>605</b>                            |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018

### 1 General information

Wallace Group Limited ('the company') and its subsidiaries offer a unique, diverse service within the dimensional stone industry throughout the United Kingdom.

The company is a private company limited by shares and incorporated and domiciled in the UK. The address of its registered office is Wallace House, Whitehouse Road, Stirling, FK7 7TA.

### 2 Statement of compliance

The Group and individual financial statements of Wallace Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") Section 1A and the Companies Act 2006.

### 3 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These consolidated and separated financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

#### Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

#### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. As a qualifying entity, Wallace Group Limited has taken advantage of the following exemptions in respect of the company financial statements:

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 3 Accounting policies (continued)

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the group and all its subsidiary undertakings made up to 30 November 2018. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated statement of comprehensive income account from the date of acquisition.

#### **Investments**

Investments in subsidiaries are measured at cost less impairment and are carried at cost. The directors believe that the carrying value of the investments is supported by their underlying net assets.

#### **Intangible assets**

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is amortised through the profit and loss account over its estimated economic life. The estimated economic life of goodwill is twenty years. On adoption of FRS 102, Wallace Group Limited elected not to apply Section 19 of FRS 102 in relation to business combinations which occurred prior to the date of transition. As such there was no adjustment to the carrying value of goodwill and no change to the useful life over which it is amortised.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic life of the asset concerned. The principal annual rates used for this purpose are:

|                       |     |                    |
|-----------------------|-----|--------------------|
| Motor vehicles        | 25% | (reducing balance) |
| Plant and machinery   | 25% | (reducing balance) |
| Fixtures and fittings | 25% | (reducing balance) |

#### **Hire purchase contracts and operating leases**

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 3 Accounting policies (continued)

#### **Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

#### **Financial instruments**

The group has chosen to adopt Section 11 of FRS 102 in respect of basic financial instruments.

##### **(i) Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in consolidated statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 3 Accounting policies (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The group does not hold or issue derivative financial instruments.

#### **Turnover**

Turnover represents amounts invoiced to outside customers, net of trade discounts and value added tax, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced. Turnover from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

*Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts immediately as such losses are foreseen.*

#### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

# **Wallace Group Limited**

## **Notes to the financial statements for the year ended 30 November 2018 (continued)**

### **3 Accounting policies (continued)**

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Pension**

The pension costs charged against profits represent the amounts of contributions payable into individual plans for the benefit of employees.

### **4 Critical accounting judgements and estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **Inventory valuation**

The company makes an estimate of the valuation of inventory held at the balance sheet date when this relates to a partially cut piece of material and so the original cost is no longer representative of the value. When determining the value, management consider the nature and condition of the inventory, as well as applying assumptions around future usage and saleability, based on cumulative previous experience.

#### **Recoverability of other debtors**

The company has recognised a debtor balance of £654,352 (2016: £1,052,000) from related party Ramoyle Group Limited as disclosed in Note 26. Management have considered the recoverability of this debtor and made assumptions regarding the recoverability in recognising the full amount of recharged expenses as recoverable.

#### **Carrying value of investments**

The directors assess the carrying value of investments for impairment annually. Investments relate entirely to wholly owned subsidiaries and no indicators of impairment have been noted. As such, management are comfortable that the carrying value of investments is supported by their underlying net assets.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 4 Critical accounting judgements and estimation uncertainty (continued)

#### Estimated useful life of goodwill

Goodwill arising from historic business combinations is considered to have a useful life of twenty years. No circumstances have come to light which suggest this should be re-evaluated.

### 5 Turnover

All turnover arises from sales from the design, supply and installation of goods made in the United Kingdom. Turnover derives from one class of sale.

### 6 Directors' emoluments

The remuneration paid to the directors, who are also considered the key management personnel, of the company was:

|                                         | Year<br>ended<br>30 Nov<br>2018 | Year<br>ended<br>30 Nov<br>2017 |
|-----------------------------------------|---------------------------------|---------------------------------|
|                                         | £'000                           | £'000                           |
| Aggregate emoluments                    | 924                             | 807                             |
| Contributions to money purchase schemes | 16                              | 9                               |
|                                         | 940                             | 816                             |

Retirement benefits are accruing to nine (2017: seven) directors under a defined contribution pension scheme.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 7 Employee information

The average monthly number of persons (including executive directors) employed by the group during the year was:

|                | Year ended<br>30 Nov<br>2018<br>Number | Year ended<br>30 Nov<br>2017<br>Number |
|----------------|----------------------------------------|----------------------------------------|
| Administration | 24                                     | 25                                     |
| Production     | 7                                      | 7                                      |
|                | 31                                     | 32                                     |

|                                      | Year ended<br>30 Nov<br>2018<br>£'000 | Year ended<br>30 Nov<br>2017<br>£'000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Staff costs (for the above persons): |                                       |                                       |
| Wages and salaries                   | 1,386                                 | 1,419                                 |
| Social security costs                | 170                                   | 173                                   |
| Other pension costs (note 24)        | 28                                    | 23                                    |
|                                      | 1,584                                 | 1,615                                 |

### 8 Other operating income

|                        | Year ended<br>30 Nov<br>2018<br>£'000 | Year ended<br>30 Nov<br>2017<br>£'000 |
|------------------------|---------------------------------------|---------------------------------------|
| Other operating income | 22                                    | -                                     |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 9 Operating (loss)/profit

|                                                              | Year ended<br>30 Nov<br>2018 | Year ended<br>30 Nov<br>2017 |
|--------------------------------------------------------------|------------------------------|------------------------------|
|                                                              | £                            | £                            |
| Operating (loss)/profit is stated after charging:            |                              |                              |
| Depreciation – tangible owned assets                         | 9                            | 11                           |
| Goodwill amortisation                                        | 12                           | 12                           |
| Operating lease rentals – land and buildings                 | 109                          | 109                          |
| Inventory recognised as an expense                           | 161                          | 178                          |
| Services provided by the company's auditors                  |                              |                              |
| - Fees payable for the audit of the company and subsidiaries | 28                           | 27                           |
| - Fees payable for other services – tax compliance           | 12                           | 12                           |

### 10 Interest payable and similar charges

|                         | Year<br>ended<br>30 Nov<br>2018<br>£'000 | Year<br>ended<br>30 Nov<br>2017<br>£'000 |
|-------------------------|------------------------------------------|------------------------------------------|
| Hire purchase contracts | 1                                        | 1                                        |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 11 Tax on (loss)/profit on ordinary activities

#### (a) Tax expense included in profit and loss

|                                                    | Year<br>ended<br>30 Nov<br>2018<br>£'000 | Year<br>ended<br>30 Nov<br>2017<br>£'000 |
|----------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Current tax:</b>                                |                                          |                                          |
| UK corporation tax                                 | (8)                                      | 44                                       |
| <b>Total current tax</b>                           | <b>(8)</b>                               | <b>44</b>                                |
| <b>Deferred tax:</b>                               |                                          |                                          |
| Origination and reversal of timing differences     | (2)                                      | 7                                        |
| Impact of change in tax rate                       | -                                        | (1)                                      |
| <b>Total deferred tax</b>                          | <b>(2)</b>                               | <b>6</b>                                 |
| <b>Tax on (loss)/profit on ordinary activities</b> | <b>(10)</b>                              | <b>50</b>                                |

#### (b) Reconciliation of tax charge

The effective rate of tax is lower (2017: lower) than the UK corporation tax rate of 19% (2017: 19%) and the differences are explained below:

|                                                                                                                  | Year<br>ended<br>30 Nov 2018<br>£'000 | Year<br>ended<br>30 Nov 2017<br>£'000 |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>(Loss)/profit on ordinary activities before tax</b>                                                           | <b>(114)</b>                          | <b>307</b>                            |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%) | (21)                                  | 59                                    |
| Effects of:                                                                                                      |                                       |                                       |
| Expenses not deductible for tax and other permanent differences                                                  | 3                                     | 2                                     |
| Tax losses utilised                                                                                              | -                                     | -                                     |
| Deferred tax not provided                                                                                        | 8                                     | (10)                                  |
| Tax rate changes                                                                                                 | -                                     | (1)                                   |
| <b>Total tax charge for the year</b>                                                                             | <b>(10)</b>                           | <b>50</b>                             |

# Wallace Group Limited

## Notes to the financial statements

### for the year ended 30 November 2018 (continued)

## 11 Tax on (loss)/profit on ordinary activities (continued)

### (c) Tax rate changes

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

A deferred tax asset of £38,000 (2017: £30,800) has not been recognised at the year-end due to the uncertainty over its future recoverability.

## 12 Intangible assets

| Group                                   | Goodwill<br>£'000 |
|-----------------------------------------|-------------------|
| <b>Cost</b>                             |                   |
| At 1 December 2017 and 30 November 2018 | 245               |
| <b>Accumulated amortisation</b>         |                   |
| At 1 December 2017                      | 166               |
| Charge for the year                     | 12                |
| <b>At 30 November 2018</b>              | <b>178</b>        |
| Net book amount                         |                   |
| <b>At 30 November 2018</b>              | <b>67</b>         |
| At 30 November 2017                     | 79                |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 13 Tangible fixed assets

| <b>Group</b>                    | <b>Motor<br/>Vehicles<br/>£'000</b> | <b>Plant and<br/>machinery<br/>£'000</b> | <b>Fixtures<br/>and<br/>fittings<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---------------------------------|-------------------------------------|------------------------------------------|------------------------------------------------|------------------------|
| <b>Cost</b>                     |                                     |                                          |                                                |                        |
| At 1 December 2017              | 36                                  | 299                                      | 7                                              | 342                    |
| Additions                       | -                                   | 3                                        | -                                              | 3                      |
| <b>At 30 November 2018</b>      | <b>36</b>                           | <b>302</b>                               | <b>7</b>                                       | <b>345</b>             |
| <b>Accumulated depreciation</b> |                                     |                                          |                                                |                        |
| At 1 December 2017              | 23                                  | 279                                      | 7                                              | 309                    |
| Charge for the year             | 3                                   | 6                                        | -                                              | 9                      |
| <b>At 30 November 2018</b>      | <b>26</b>                           | <b>285</b>                               | <b>7</b>                                       | <b>318</b>             |
| <b>Net book amount</b>          |                                     |                                          |                                                |                        |
| <b>At 30 November 2018</b>      | <b>10</b>                           | <b>17</b>                                | <b>-</b>                                       | <b>27</b>              |
| At 30 November 2017             | 13                                  | 20                                       | -                                              | 33                     |

### 14 Fixed asset investments

| <b>Company</b>                              | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
|---------------------------------------------|-----------------------|-----------------------|
| At 30 November 2017 and at 30 November 2018 | <b>40</b>             | <b>40</b>             |

The directors believe that the carrying value of the investments is supported by their underlying net assets.

# Wallace Group Limited

## Notes to the financial statements

for the year ended 30 November 2018 (continued)

### 14 Fixed asset investments (continued)

The investments balance comprises holdings in related undertakings as detailed below. All related undertakings are registered at the same address as Wallace Group Limited.

| Name of subsidiary undertaking             | Country of incorporation and operation | Description of shares held | Proportion of nominal value of issued shares held | Principal activity                                                 |
|--------------------------------------------|----------------------------------------|----------------------------|---------------------------------------------------|--------------------------------------------------------------------|
| Stirling Stone Limited                     | Scotland                               | £1 ordinary shares         | 100%                                              | Supply and fixing of natural stone                                 |
| Toffolo Stirling Limited                   | Scotland                               | £1 ordinary shares         | 100%                                              | Supply and installation of marble and granite                      |
| Stone Design Limited                       | Scotland                               | £1 ordinary shares         | 100%                                              | Sourcing, design and budgetary control and fixing of natural stone |
| Construction Materials Consultants Limited | Scotland                               | £1 ordinary shares         | 100%                                              | Consultancy service relating to material analysis                  |
| Natstone Developments Limited              | Scotland                               | £1 ordinary shares         | 100%                                              | Developing and letting of property                                 |
| Stirling Stone (Restoration) Limited       | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Natstone Limited                           | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Stirling Sealants Limited                  | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Stirling Stone                             | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Toffolo Limited                            | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Quality Stone Limited                      | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |
| Steading Developments Limited              | Scotland                               | £1 ordinary shares         | 100%                                              | Dormant                                                            |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018(continued)

### 15 Stocks

| Group                         | 30 Nov<br>2018 | 30 Nov<br>2018 |
|-------------------------------|----------------|----------------|
|                               | £'000          | £'000          |
| Raw materials and consumables | 55             | 49             |

### 16 Debtors

|                                   | Group<br>30 Nov<br>2018 | Company<br>30 Nov<br>2018 | Group<br>30 Nov<br>2017 | Company<br>30 Nov<br>2017 |
|-----------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
|                                   | £'000                   | £'000                     | £'000                   | £'000                     |
| Trade debtors                     | 401                     | -                         | 430                     | -                         |
| Amounts recoverable on contracts  | 136                     | -                         | 210                     | -                         |
| Amounts due by group undertakings | -                       | 13                        | -                       | 13                        |
| Other debtors                     | 654                     | -                         | 1,064                   | -                         |
| Deferred tax                      | 18                      | -                         | 7                       | -                         |
| Prepayments and accrued income    | 36                      | -                         | 39                      | -                         |
|                                   | 1,245                   | 13                        | 1,750                   | 13                        |

Amounts owed by group undertakings are unsecured, accrue no interest and are repayable on demand.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 17 Creditors: amounts falling due within one year

|                                           | Group<br>30 Nov<br>2018 | Company<br>30 Nov<br>2018 | Group<br>30 Nov<br>2017 | Company<br>30 Nov<br>2017 |
|-------------------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
|                                           | £'000                   | £'000                     | £'000                   | £'000                     |
| Obligations under hire purchase contracts | 6                       | -                         | 6                       | -                         |
| Payments received on account              | 199                     | -                         | 533                     | -                         |
| Trade creditors                           | 325                     | -                         | 593                     | -                         |
| Corporation tax                           | -                       | -                         | 44                      | -                         |
| Other taxation and social security        | 177                     | -                         | 160                     | -                         |
| Other creditors                           | 468                     | -                         | 429                     | -                         |
| Accruals and deferred income              | 99                      | -                         | 136                     | -                         |
|                                           | 1,274                   | -                         | 1,901                   | -                         |

### 18 Creditors: amounts falling due after more than one year

| Group                                     | 30 Nov<br>2018 | 30 Nov<br>2017 |
|-------------------------------------------|----------------|----------------|
|                                           | £'000          | £'000          |
| Obligations under hire purchase contracts | 19             | 26             |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 19 Financial instruments by category

|                                                                               | <b>Group</b>       |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                               | <b>30 Nov 2018</b> | <b>30 Nov 2017</b> |
|                                                                               | <b>£'000</b>       | <b>£'000</b>       |
| <b>Financial assets</b>                                                       |                    |                    |
| <b>Financial assets that are debt instruments measured at amortised cost:</b> |                    |                    |
| Trade debtors (note 16)                                                       | <b>401</b>         | 430                |
| Other debtors (note 16)                                                       | <b>655</b>         | 1,064              |
| Cash and cash equivalents                                                     | <b>384</b>         | 605                |
|                                                                               | <b>1,440</b>       | 2,099              |
| <b>Financial liabilities</b>                                                  |                    |                    |
| <b>Financial liabilities measured at amortised cost</b>                       |                    |                    |
| Trade creditors (note 17)                                                     | <b>325</b>         | 593                |
| Other creditors (note 17)                                                     | <b>468</b>         | 429                |
|                                                                               | <b>793</b>         | 1,022              |

### 20 Called up share capital

|                                                    | <b>30 Nov 2018</b> | <b>30 Nov 2017</b> |
|----------------------------------------------------|--------------------|--------------------|
| <b>Group</b>                                       | <b>£'000</b>       | <b>£'000</b>       |
| <b>Authorised</b>                                  |                    |                    |
| 250,000 (2017: 250,000) ordinary shares of £1 each | <b>250</b>         | 250                |
| <b>Allotted and fully paid</b>                     |                    |                    |
| 125,001 (2017: 125,001) ordinary shares of £1 each | <b>125</b>         | 125                |

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 20 Called up share capital (continued)

| Company                                            | 30 Nov 2018<br>£'000 | 30 Nov 2017<br>£'000 |
|----------------------------------------------------|----------------------|----------------------|
| <b>Authorised</b>                                  |                      |                      |
| 250,000 (2017: 250,000) ordinary shares of £1 each | <b>250</b>           | 250                  |
| <b>Allotted and fully paid</b>                     |                      |                      |
| 125,001 (2017: 125,001) ordinary shares of £1 each | <b>125</b>           | 125                  |

### 21 Guarantees and other financial commitments

#### Parent company guarantees

As subsidiaries of the group, Stone Design Limited, Construction Materials Consultants Limited and Natstone Developments Limited have taken advantage of the permitted exception from the requirement of the Companies Act 2006 relating to the audit of accounts under section 479a of the Companies Act 2006. As such, Wallace Group Limited has provided guarantees to the subsidiaries under Section 479C of the Companies Act 2006 in respect of the financial year ended 30 November 2018.

#### Financial commitments

At the year end the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

|                                                   | 30 Nov<br>2018        | 30 Nov<br>2017        |
|---------------------------------------------------|-----------------------|-----------------------|
|                                                   | Land and<br>buildings | Land and<br>buildings |
| Payments due                                      | £                     | £                     |
| Not later than one year                           | 108,750               | 108,750               |
| Later than one year and not later than five years | 97,428                | 206,178               |
| Later than five years                             | -                     | -                     |

The company had no annual commitments under non-cancellable operating leases.

# Wallace Group Limited

## Notes to the financial statements for the year ended 30 November 2018 (continued)

### 22 Analysis of net funds

|                                 | At 1<br>December<br>2017 | Cash flows | At 30<br>November<br>2018 |
|---------------------------------|--------------------------|------------|---------------------------|
|                                 | £'000                    | £'000      | £'000                     |
| <b>Net cash</b>                 |                          |            |                           |
| Cash at bank and in hand        | 605                      | (221)      | 384                       |
| <b>Debt</b>                     |                          |            |                           |
| Obligations under Hire Purchase | (32)                     | 7          | (25)                      |
| <b>Net funds</b>                | 573                      | (214)      | 359                       |

### 23 Notes to the statement of cash flows

|                                             | Year<br>ended<br>30 Nov<br>2018 | Year<br>ended<br>30 Nov<br>2017 |
|---------------------------------------------|---------------------------------|---------------------------------|
|                                             | £'000                           | £'000                           |
| <b>(Loss)/profit for the financial year</b> | <b>(113)</b>                    | 307                             |
| Tax on (loss)profit on ordinary activities  | -                               | 1                               |
| <b>Operating (loss)/profit</b>              | <b>(113)</b>                    | 308                             |
| Amortisation of intangible assets           | 12                              | 12                              |
| Depreciation of tangible assets             | 9                               | 11                              |
| (Increase)/decrease in stocks               | (6)                             | 5                               |
| decrease/(increase) in debtors              | 516                             | (11)                            |
| Decrease in creditors                       | (583)                           | (537)                           |
| <b>Cash flow from operating activities</b>  | <b>(165)</b>                    | (212)                           |

# **Wallace Group Limited**

## **Notes to the financial statements for the year ended 30 November 2018 (continued)**

### **24 Pension costs**

The company operates an executive pension plan for the directors and a group personal pension scheme for all other employees. Both of these are defined contribution schemes. The contributions paid to these schemes amounted to £28,150 (2017: £23,000).

### **25 Ultimate controlling party**

The ultimate controlling party of the group is the Turnbull family by way of their aggregate majority shareholding.

Wallace Group Limited is the only company to consolidate the company's financial statements.

### **26 Related party transactions**

During the year the Group incurred expenses to the value of £62,379 (2017: £109,000) on behalf of Ramoyle Group Limited. The debtor balance owed by Ramoyle Group as at 30 November 2018 of £654,352 (2017: £1,052,000) is included within other debtors. The directors have considered the recoverability of this debtor and are confident that it will be fully received.

The entities are related through the common directorships of H Turnbull and J Turnbull.