

Company Registration No. SC296751 (Scotland)

DAVIDSONS INVERURIE LTD.
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017
PAGES FOR FILING WITH REGISTRAR

DAVIDSON'S INVERURIE LTD.

COMPANY INFORMATION

Director	Mr J M A Davidson
Secretary	Mr J M A Davidson
Company number	SC296751
Registered office	Unit 1 Burn Lane INVERURIE AB51 4UZ
Accountants	Johnston Carmichael LLP Axis Business Centre Thainstone INVERURIE AB51 5TB

DAVIDSONSONS INVERURIE LTD.

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DAVIDSONSON INVERURIE LTD.

BALANCE SHEET

AS AT 28 FEBRUARY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	3		6,096		-
Tangible assets	4		566,779		549,174
Investment properties	5		673,705		815,618
			<u>1,246,580</u>		<u>1,364,792</u>
Current assets					
Stocks		68,400		42,140	
Debtors	6	107,482		68,018	
Cash at bank and in hand		4,957		8,717	
		<u>180,839</u>		<u>118,875</u>	
Creditors: amounts falling due within one year	7	<u>(379,219)</u>		<u>(335,381)</u>	
Net current liabilities			<u>(198,380)</u>		<u>(216,506)</u>
Total assets less current liabilities			1,048,200		1,148,286
Creditors: amounts falling due after more than one year	8		(610,544)		(663,277)
Provisions for liabilities					
Deferred tax liability		16,544		10,855	
		<u>(16,544)</u>		<u>(10,855)</u>	
Net assets			<u>421,112</u>		<u>474,154</u>
Capital and reserves					
Called up share capital	9		100		100
Revaluation reserve	10		(141,913)		-
Profit and loss reserves			562,925		474,054
Total equity			<u>421,112</u>		<u>474,154</u>

DAVIDSON'S INVERURIE LTD.

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2017

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 27 November 2017

Mr J M A Davidson
Director

Company Registration No. SC296751

DAVIDSONSON INVERURIE LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2017

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 March 2015	100	-	403,060	403,160
Year ended 29 February 2016:				
Profit and total comprehensive income for the year	-	-	109,894	109,894
Dividends	-	-	(38,900)	(38,900)
Balance at 29 February 2016	100	-	474,054	474,154
Year ended 28 February 2017:				
Profit and total comprehensive income for the year	-	-	7,404	7,404
Dividends	-	-	(60,446)	(60,446)
Transfers	-	-	141,913	141,913
Other	-	(141,913)	-	(141,913)
Balance at 28 February 2017	100	(141,913)	562,925	421,112

DAVIDSONSON INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

1 Accounting policies

Company information

Davidsonson Inverurie Ltd. is a private company limited by shares incorporated in Scotland. The registered office is Unit 1, Burn Lane, INVERURIE, AB51 4UZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 28 February 2017 are the first financial statements of Davidsonson Inverurie Ltd. prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 March 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

1.2 Going concern

The company has a position of net current liabilities at 28 February 2017 however, at the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts received and receivable for butchery products provided in the normal course of business, and is shown net of VAT and discounts given. Turnover is recognised at the point of delivery of goods to the customer.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	20% on cost
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

DAVIDSON'S INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% on cost
Plant and machinery	20% on reducing balance and 20% on cost
Fixtures, fittings & equipment	10% on reducing balance
Computer equipment	50% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

DAVIDSON'S INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

1 Accounting policies

(Continued)

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2016 - 19).

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 March 2016	73,402	-	73,402
Additions	-	7,620	7,620
At 28 February 2017	73,402	7,620	81,022
Amortisation and impairment			
At 1 March 2016	73,402	-	73,402
Amortisation charged for the year	-	1,524	1,524
At 28 February 2017	73,402	1,524	74,926
Carrying amount			
At 28 February 2017	-	6,096	6,096
At 29 February 2016	-	-	-

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 March 2016	576,624	256,138	832,762
Additions	-	72,740	72,740
Disposals	-	(72,601)	(72,601)
At 28 February 2017	576,624	256,277	832,901
Depreciation and impairment			
At 1 March 2016	95,632	187,957	283,589
Depreciation charged in the year	11,532	25,719	37,251
Eliminated in respect of disposals	-	(54,718)	(54,718)
At 28 February 2017	107,164	158,958	266,122
Carrying amount			
At 28 February 2017	469,460	97,319	566,779
At 29 February 2016	480,992	68,182	549,174

5 Investment property

	2017 £
Fair value	
At 1 March 2016	815,618
Revaluations	(141,913)
At 28 February 2017	673,705

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 11 May 2017 by J & E Shepherd, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	815,618	815,618
Accumulated depreciation	-	-
Carrying amount	815,618	815,618

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

6 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	79,539	52,100
Other debtors	27,943	15,918
	<u>107,482</u>	<u>68,018</u>

7 Creditors: amounts falling due within one year	2017	2016
	£	£
Bank loans and overdrafts	140,925	165,523
Trade creditors	157,414	102,226
Amounts due to group undertakings	-	1,764
Corporation tax	48,123	36,084
Other taxation and social security	5,579	6,939
Other creditors	27,178	22,845
	<u>379,219</u>	<u>335,381</u>

Included in other creditors are obligations under finance leases of £8,479 (2016 - £3,665) which are secured on the assets to which they relate.

The bank overdraft and long-term loans are secured by fixed charges over the freehold and investment properties and a floating charge over all other company assets.

8 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Bank loans and overdrafts	587,524	663,277
Other creditors	23,020	-
	<u>610,544</u>	<u>663,277</u>

Included in other creditors are obligations under finance leases of £23,030 (2016 - £Nil) which are secured on the assets to which they relate.

The bank overdraft and long-term loans are secured by fixed charges over the freehold and investment properties and a floating charge over all other company assets.

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

9	Called up share capital	2017	2016
		£	£
	Ordinary share capital		
	Issued and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2017

10 Revaluation reserve

There is no tax provision required in relation to the revaluation reserve.

11 Events after the reporting date

After the year end, the company agreed to the purchase of an industrial unit at a cost of £290,000. This will be financed by additional borrowings from their current lender.

12 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

		1 March 2015 £	29 February 2016 £
	Notes		
Equity as reported under previous UK GAAP		284,204	338,885
Adjustments arising from transition to FRS 102:			
Depreciation write back on investment property	(i)	118,956	135,269
Equity reported under FRS 102		<u>403,160</u>	<u>474,154</u>

Reconciliation of profit for the financial period

		2016 £
	Notes	
Profit as reported under previous UK GAAP		93,581
Adjustments arising from transition to FRS 102:		
Depreciation write back on investment property	(i)	16,313
Profit reported under FRS 102		<u>109,894</u>

DAVIDSONS INVERURIE LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

12 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

(i) Mixed use property and depreciation thereon

The company owns a property which is used both for the business to operate from and to generate rental income from other tenants. Under FRSSE it was permitted for such mixed use properties to be classed as Freehold in their entirety. It is not possible to continue this treatment under FRS 102 and as a consequence the value of the investment property has been reclassified, the amount of the transfer being £815,618.

Following the reclassification of the investment property, it has been necessary to remove an element of the depreciation previously charged to the profit and loss account. At the date of transition the amount reversed was £118,956 with a further £16,313 being reversed during the year ended 29 February 2016. The total adjustment of £135,269 has been credited to profit and loss reserves.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.