

Robinsons Scotland Limited
Financial Statements
30 June 2019



LAMONT PRIDMORE
Chartered Accountants & statutory auditor
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Robinsons Scotland Limited

Financial Statements

Year ended 30 June 2019

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Robinsons Scotland Limited

Strategic Report

Year ended 30 June 2019

Principal activities and review of the business

The principal activity of the company during the year was retailing agricultural and general purpose buildings.

The company's turnover increased slightly by 1.5% to £14,853,486 and gross profit increased to 16.6% from 15.1%. Throughout the year conditions remained challenging although the company is able to report a profit before tax for the year of £184,680.

Administrative overheads have increased by 23% to £1,623,308, largely due to higher depreciation charges for the year. Distribution costs have also increased by 26% to £584,530. This is mainly due to an increase in lorry fuel costs.

Total comprehensive income for the year after taxation was £156,412 out of which dividends of £113,100 were paid.

The company balance sheet at 30th June 2019 shows net assets of £1,720,442 (2018: £1,677,130). External financing is a combination of bank overdraft, bank loan and hire purchase.

During the year the company has continued in its support of an associated company in Poland undertaking similar trading activities to the UK business.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	2019 £	2018 £
Turnover	14,853,486	14,638,144
Profit on ordinary activities before taxation	184,680	315,295
Gross profit %	17	15
Average number of employees	106	108
Turnover per employee	140,127	135,538

Future developments

Since the end of the financial year, the company has been able to secure further profitable contracts, with future prospects leading on from these.

The company is in the process of developing an area of land adjacent to its existing premises to improve current facilities and efficiency. This, combined with improvements in marketing its products, leads the directors to be cautiously optimistic about future prospects.

Financial risk management policy

The company has various financial instruments such as the availability of bank facilities, including a euro account, and trade creditors that arise directly from its operations. No trading in financial instruments is undertaken.

The directors review and agree policies for managing each financial instrument risk and consider the company's exposure to such risks is well controlled.

Robinsons Scotland Limited

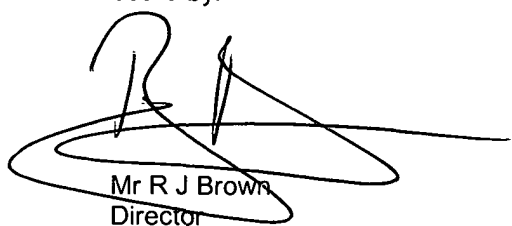
Strategic Report *(continued)*

Year ended 30 June 2019

Withdrawal of the UK from the EU

In common with many businesses, we share a concern about the risk of abrupt changes to the UK's customs procedures. We therefore welcome the Government's intention to have a transition period beyond December 2019 in which to implement the necessary systems and processes. As the Government continues its negotiations, uncertainty remains as to the extent to which our operations and financial performance will be affected in the longer term. We have continued to prepare for changes in legislation, trade agreements and working practices in order to take advantage of the changing commercial landscape and to mitigate risk. However the exchange rate applicable to expenditure in the year ending 30 June 2020 will be sensitive to exchange rate volatility which is likely to arise given a period of intense Brexit negotiations.

This report was approved by the board of directors on 27 February 2020 and signed on behalf of the board by:



Mr R J Brown
Director

Registered office:
Broomhouses 2 Industrial Estate
Old Glasgow Road
Lockerbie
DG11 2SD

Robinsons Scotland Limited

Directors' Report

Year ended 30 June 2019

The directors present their report and the financial statements of the company for the year ended 30 June 2019.

Directors

The directors who served the company during the year were as follows:

Mr R J Brown
Mr H J Brown

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

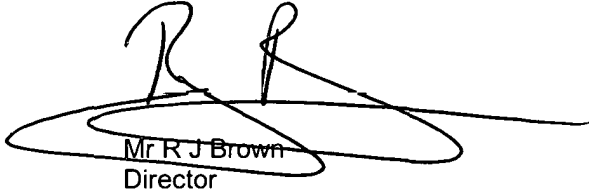
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of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

Robinsons Scotland Limited

Directors' Report *(continued)*

Year ended 30 June 2019

This report was approved by the board of directors on 27 February 2020 and signed on behalf of the board by:



Mr R J Brown
Director

Registered office:
Broomhouses 2 Industrial Estate
Old Glasgow Road
Lockerbie
DG11 2SD

Robinsons Scotland Limited

Independent Auditor's Report to the Members of Robinsons Scotland Limited

Year ended 30 June 2019

Opinion

We have audited the financial statements of Robinsons Scotland Limited (the 'company') for the year ended 30 June 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Robinsons Scotland Limited

Independent Auditor's Report to the Members of Robinsons Scotland Limited (continued)

Year ended 30 June 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

Robinsons Scotland Limited

Independent Auditor's Report to the Members of Robinsons Scotland Limited (continued)

Year ended 30 June 2019

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Robinsons Scotland Limited

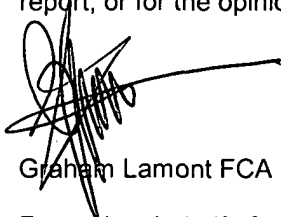
Independent Auditor's Report to the Members of Robinsons Scotland Limited (continued)

Year ended 30 June 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Graham Lamont FCA FCCA AIMC ACIS FRSA MCMI (Senior Statutory Auditor)

For and on behalf of
Lamont Pridmore
Chartered Accountants & statutory auditor
31 Lonsdale Street
Carlisle
Cumbria
CA1 1BJ

27 February 2020

Robinsons Scotland Limited
Statement of Income and Retained Earnings
Year ended 30 June 2019

	Note	2019 £	2018 £
Turnover	4	14,853,486	14,638,144
Cost of sales		<u>12,380,111</u>	<u>12,431,929</u>
Gross profit		2,473,375	2,206,215
Distribution costs		584,530	463,302
Administrative expenses		1,623,308	1,316,471
Other operating income		<u>30,029</u>	<u>—</u>
Operating profit	5	295,566	426,442
Interest payable and similar expenses	9	<u>110,886</u>	<u>111,147</u>
Profit before taxation		184,680	315,295
Tax on profit	10	<u>28,268</u>	<u>61,681</u>
Profit for the financial year and total comprehensive income		<u>156,412</u>	<u>253,614</u>
Dividends paid and payable	11	(113,100)	(113,100)
Retained earnings at the start of the year		759,877	619,363
Retained earnings at the end of the year		<u>803,189</u>	<u>759,877</u>

All the activities of the company are from continuing operations.

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

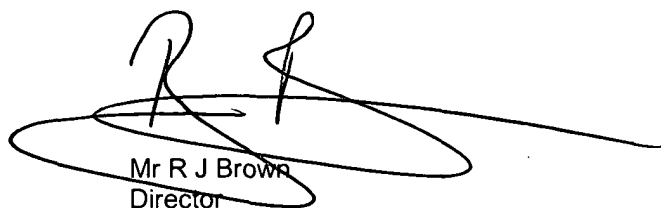
Robinsons Scotland Limited

Statement of Financial Position

30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	2,952,315	2,889,366
Current assets			
Stocks	14	583,633	503,559
Debtors	15	4,671,291	4,552,370
Cash at bank and in hand		10,809	51,543
		<u>5,265,733</u>	<u>5,107,472</u>
Creditors: amounts falling due within one year	17	<u>5,479,565</u>	<u>5,110,201</u>
Net current liabilities		<u>213,832</u>	<u>2,729</u>
Total assets less current liabilities		<u>2,738,483</u>	<u>2,886,637</u>
Creditors: amounts falling due after more than one year	18	712,803	939,463
Provisions			
Taxation including deferred tax	20	<u>305,238</u>	<u>270,044</u>
Net assets		<u>1,720,442</u>	<u>1,677,130</u>
Capital and reserves			
Called up share capital	23	1	1
Revaluation reserve	24	917,252	917,252
Profit and loss account	24	<u>803,189</u>	<u>759,877</u>
Shareholders funds		<u>1,720,442</u>	<u>1,677,130</u>

These financial statements were approved by the board of directors and authorised for issue on 27 February 2020, and are signed on behalf of the board by:



Mr R J Brown
Director

Company registration number: SC292348

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

Robinsons Scotland Limited

Statement of Cash Flows

Year ended 30 June 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		156,412	253,614
<i>Adjustments for:</i>			
Depreciation of tangible assets		365,960	288,083
Interest payable and similar expenses		110,886	111,147
Gains on disposal of tangible assets		(5,583)	(63,440)
Tax on profit		28,268	61,681
Accrued expenses/(income)		960,370	(78,498)
<i>Changes in:</i>			
Stocks		(80,074)	(188,011)
Trade and other debtors		(1,079,291)	422,818
Trade and other creditors		521,030	(519,302)
Cash generated from operations		977,978	288,092
Interest paid		(110,886)	(111,147)
Tax paid		(88,511)	—
Net cash from operating activities		778,581	176,945
Cash flows from investing activities			
Purchase of tangible assets		(470,538)	(769,053)
Proceeds from sale of tangible assets		47,212	465,124
Net cash used in investing activities		(423,326)	(303,929)
Cash flows from financing activities			
Repayments of borrowings		(182,468)	(68,758)
Payments of/proceeds from finance leases		(91,852)	91,337
Dividends paid		(113,100)	(113,100)
Net cash used in financing activities		(387,420)	(90,521)
Net decrease in cash and cash equivalents		(32,165)	(217,505)
Cash and cash equivalents at beginning of year		(1,480,468)	(1,262,963)
Cash and cash equivalents at end of year	16	(1,512,633)	(1,480,468)

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

Robinsons Scotland Limited

Notes to the Financial Statements

Year ended 30 June 2019

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Broomhouses 2 Industrial Estate, Old Glasgow Road, Lockerbie, DG11 2SD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents amounts receivable for goods and services net of Value Added Tax and trade discounts. Sales are invoiced on completion of the foundations, on delivery of sheds and completion of shed erection. Other works are also invoiced on completion and other supplies on delivery.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and Buildings	-	2% straight line
Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	20% reducing balance
Motor Vehicles	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Year end stock is valued on a first in, first out basis.

Work in progress

Non-contract work in progress is valued on the basis of direct costs incurred. Provision is made for any foreseeable losses where appropriate. No element of profit is included within work in progress.

Contract work in progress is shown at the chargeable value of work carried out up to the balance sheet date, including work not yet invoiced, less progress payments received and provisions for known losses.

Where the value of the work carried out exceeds progress payments, the balances are included in debtors as amounts recoverable on contracts. Where progress payments exceed the value of work carried out, the balances are included in creditors as advances on contracts.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Sale of goods	<u>14,853,486</u>	<u>14,638,144</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019 £	2018 £
Depreciation of tangible assets	365,960	288,083
Gains on disposal of tangible assets	(5,583)	(63,440)
Impairment of trade debtors	70,000	—
Operating lease rentals	46,081	42,449
Foreign exchange differences	<u>(3,512)</u>	<u>2,312</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>10,094</u>	<u>9,800</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Production staff	66	66
Distribution staff	6	3
Administrative staff	30	35
Management staff	<u>4</u>	<u>4</u>
	<u>106</u>	<u>108</u>

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

7. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	3,401,308	2,820,428
Social security costs	299,434	259,064
Other pension costs	4,800	4,800
	<u>3,705,542</u>	<u>3,084,292</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>48,235</u>	<u>48,635</u>

9. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	72,820	69,482
Interest on obligations under finance leases and hire purchase contracts	34,798	41,665
Other interest payable and similar charges	<u>3,268</u>	<u>—</u>
	<u>110,886</u>	<u>111,147</u>

10. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	1,666	37,899
Adjustments in respect of prior periods	<u>(8,592)</u>	<u>—</u>
Total current tax	<u>(6,926)</u>	<u>37,899</u>
Deferred tax:		
Origination and reversal of timing differences	35,194	23,782
Tax on profit	<u>28,268</u>	<u>61,681</u>

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

10. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>184,680</u>	<u>315,295</u>
Profit on ordinary activities by rate of tax	35,084	59,915
Adjustment to tax charge in respect of prior periods	(8,592)	–
Effect of capital allowances and depreciation	<u>1,776</u>	<u>1,766</u>
Tax on profit	<u>28,268</u>	<u>61,681</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Equity dividends on ordinary shares	<u>113,100</u>	<u>113,100</u>

12. Intangible assets

	Goodwill £
Cost	
At 1 July 2018 and 30 June 2019	<u>212,310</u>
Amortisation	
At 1 July 2018 and 30 June 2019	<u>212,310</u>
Carrying amount	
At 30 June 2019	–
At 30 June 2018	–

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

13. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2018	1,537,113	1,686,037	94,210	709,648	4,027,008
Additions	40,956	203,337	25,364	200,881	470,538
Disposals	—	(81,750)	—	(61,915)	(143,665)
At 30 June 2019	1,578,069	1,807,624	119,574	848,614	4,353,881
Depreciation					
At 1 July 2018	85,131	659,534	63,723	329,254	1,137,642
Charge for the year	9,344	231,995	8,370	116,251	365,960
Disposals	—	(67,615)	—	(34,421)	(102,036)
At 30 June 2019	94,475	823,914	72,093	411,084	1,401,566
Carrying amount					
At 30 June 2019	1,483,594	983,710	47,481	437,530	2,952,315
At 30 June 2018	1,451,982	1,026,503	30,487	380,394	2,889,366

Tangible assets held at valuation

The land and freehold properties were valued by the directors at the year end using market based evidence for similar properties in the local area.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 30 June 2019	
Aggregate cost	927,860
Aggregate depreciation	(94,475)
Carrying value	833,385
At 30 June 2018	
Aggregate cost	890,642
Aggregate depreciation	(85,131)
Carrying value	805,511

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 30 June 2019	947,067	381,047	1,328,114
At 30 June 2018	969,910	292,293	1,262,203

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

14. Stocks

	2019 £	2018 £
Raw materials and consumables	<u>583,633</u>	<u>503,559</u>

15. Debtors

	2019 £	2018 £
Trade debtors	467,712	1,217,004
Prepayments and accrued income	1,555,615	967,227
Amounts recoverable under contracts	2,095,612	1,916,135
Other debtors	552,352	452,004
	<u>4,671,291</u>	<u>4,552,370</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	10,809	51,543
Bank overdrafts	(1,523,442)	(1,532,011)
	<u>(1,512,633)</u>	<u>(1,480,468)</u>

17. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	1,659,209	1,737,778
Trade creditors	2,536,028	2,630,864
Accruals and deferred income	6,563	7,771
Corporation tax	1,666	97,103
Social security and other taxes	329,560	180,115
Obligations under finance leases and hire purchase contracts	352,515	330,175
Director loan accounts	524,491	33,403
Other creditors	69,533	92,992
	<u>5,479,565</u>	<u>5,110,201</u>

Security has been given by the company to the bank as detailed in note 18.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2019 £	2018 £
Bank loans and overdrafts	1,659,209	1,737,778
Hire purchase agreements	352,515	330,175

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

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

	2019 £	2018 £
Bank loans and overdrafts	101,252	213,720
Obligations under finance leases and hire purchase contracts	611,551	725,743
	<u>712,803</u>	<u>939,463</u>

The company's bank borrowings are secured by a floating charge over the assets of the company and by a Composite Company Unlimited Multilateral Guarantee as detailed in note 26.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2019 £	2018 £
Bank loans and overdrafts	101,252	213,720
Hire purchase agreements	611,551	725,743

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019 £	2018 £
Not later than 1 year	352,515	330,175
Later than 1 year and not later than 5 years	611,551	725,743
	<u>964,066</u>	<u>1,055,918</u>

20. Provisions

	Deferred tax (note 21) £
At 1 July 2018	270,044
Additions	35,194
At 30 June 2019	<u>305,238</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in provisions (note 20)	<u>305,238</u>	<u>270,044</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Accelerated capital allowances	<u>305,238</u>	<u>270,044</u>

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £4,800 (2018: £4,800).

23. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

24. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	<u>30,000</u>	<u>30,000</u>

26. Contingencies

The company has provided a Composite Company Unlimited Multilateral Guarantee to the bank given by Robinsons Scotland Limited, Agrikitt Direct Limited, Cladding Solutions Limited and Concrete Wall Panels Limited. These are all companies in which the directors have a controlling interest as shareholders.

Robinsons Scotland Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

27. Related party transactions

The company was under the control of Mr H J Brown throughout the current and previous year. Mr H J Brown is the managing director and majority shareholder.

At the year end the company owed the directors £524,491 (2018 - £33,403).

The company rents premises from Mr H J Brown. The rental paid by the company was £30,000 (2018 - £30,000).

The company paid dividends to the directors during the year; £71,500 (2018 - £71,500) to Mr H J Brown, and £41,600 (2018 - £41,600) to Mr R J Brown.

The company has an interest free loan from Agrikitt Direct Limited, a company controlled by Mr R J Brown. The amount outstanding at the year end was £36,980 (2018 - £39,980).

The company is owed £161,468 (2018 - £125,520) by The Townhead Garage Ltd, a company under the control of Mr R J Brown. This loan is interest free, has no specific repayment date and is included in other debtors.

The company is owed £125,143 (2018 - £61,243) by Concrete Wall Panels Ltd, a company under the control of Mr H J Brown. This loan is interest free and has no specific repayment date and is included in other debtors. The company traded with Concrete Wall Panels Ltd in the year. Sales totalling £99,793 (2018 - £84,605) were made to Concrete Wall Panels Ltd of which £8,586 (2018 - £Nil) was outstanding at the year end. The company made purchases of £468,820 (2018 - £899,004) from Concrete Wall Panels Ltd, of which £8,233 (2018 - £215,848) was included in trade creditors at the year end.

The company is also owed £61,687 (2018 - £61,687) by Robinsons Polska Z.O.O., a company under the control of Mr R J Brown. This loan is interest free, has no specific repayment date and is included in other debtors at the year end.