

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
FOR
W P BRUCE LIMITED

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for the year ended 30 JUNE 2019

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W P BRUCE LIMITED

COMPANY INFORMATION
for the year ended 30 JUNE 2019

DIRECTORS: W P Bruce
C G W Bruce

SECRETARY: W P Bruce

REGISTERED OFFICE: Balmyle
Meigle
Perthshire
PH12 8QU

REGISTERED NUMBER: SC036202 (Scotland)

AUDITORS: Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

GROUP STRATEGIC REPORT
for the year ended 30 JUNE 2019

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

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The group, based in Perthshire, produce peas, beans, blackcurrants, potatoes, cereals and livestock, and are sold in all major retailers across the UK.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit.

	2019	2018
	£	£
Turnover	13,148,732	11,498,156

Turnover has increased by over 14%.

Operating profit has increased from £2,349,775 to £3,344,679. Similarly, profit before tax has increased from £2,902,176 to £4,134,296. After taxation and dividends £2,979,216 has been added to reserves.

The results show that the group is performing well and favourable growing conditions have been reflected in the results.

The group prides itself on a long established and reliable reputation and the Directors believe the group will continue to trade profitably with the same hard work and dedication to drive the group forward.

GROUP STRATEGIC REPORT
for the year ended 30 JUNE 2019

PRINCIPAL RISKS AND UNCERTAINTIES

We are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control, such as the British weather and Coronavirus pandemic.

After due consideration, the Directors believe the main risks associated with the group's financial assets and liabilities are set out below.

Liquidity Risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

Interest Rate Risk

The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

Credit Risk

The group has external debtors, however, the group undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

COVID-19 and Going Concern

As a result of the current Coronavirus pandemic, the directors carried out a detailed assessment of the impact on all aspects of the company's business. The company is in a fortunate position that it operates in an industry providing essential food produce and has been able to continue to trade throughout. In order to do this in line with Scottish Government guidance and our stringent Health & Safety policy, we had to implement strict social distancing measures throughout the sowing, harvesting and administration aspects of our business.

Overall, the pandemic has had a limited impact on our ability to trade in both the short and long term, therefore we do not consider this risk poses a significant threat to our ability to continue as a going concern.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities and has policies in place to manage its impact on the environment.

ON BEHALF OF THE BOARD:

W P Bruce - Director

24 June 2020

REPORT OF THE DIRECTORS
for the year ended 30 JUNE 2019

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of farming.

DIVIDENDS

An interim dividend of £5,250 per share was paid on 1 April 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2019 will be £ 525,000 .

FUTURE DEVELOPMENTS

The Directors continue to look to expand, and improve efficiencies within, the group's core business.

DIRECTORS

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

W P Bruce
C G W Bruce

EMPLOYEES

The group is committed to providing a safe and pleasant environment for its employees and training and career development opportunities are available. No discrimination is made on the grounds of age, colour, disability, marital status, race, religion or sex. Employees are given the opportunity to develop and progress according to their ability. Disabled people are given fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities.

Every effort is made to keep staff informed of, and involved in, the operations and progress of the group.

DISCLOSURE IN THE STRATEGIC REPORT

The group has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Director's Report. This includes information that would have been included in the business review and the principal risks and uncertainties.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

REPORT OF THE DIRECTORS
for the year ended 30 JUNE 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Thomas Barric & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

W P Bruce - Director

24 June 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
W P BRUCE LIMITED

Opinion

We have audited the financial statements of W P Bruce Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WP BRUCE LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Martin Greig BA CA (Senior Statutory Auditor)
for and on behalf of Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

25 June 2020

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

CONSOLIDATED INCOME STATEMENT
for the year ended 30 JUNE 2019

2018			Notes	2019	
£	£			£	£
11,498,156		TURNOVER			13,148,732
<u>167,168</u>		Other operating income			<u>181,689</u>
11,665,324					13,330,421
<u>5,914,541</u>		Raw materials and consumables			<u>6,493,544</u>
5,750,783					6,836,877
	1,310,975	Staff costs	3	1,316,589	
	676,766	Depreciation		706,128	
	<u>1,413,267</u>	Other operating expenses		<u>1,469,481</u>	
<u>3,401,008</u>					<u>3,492,198</u>
2,349,775		OPERATING PROFIT	4		<u>3,344,679</u>
	696,546	Income from other participating interests		939,465	
	<u>3,990</u>	Interest receivable and similar income		<u>12,610</u>	
<u>700,536</u>					<u>952,075</u>
3,050,311					4,296,754
		Interest payable and similar expenses	5		<u>162,458</u>
<u>148,135</u>					<u>4,134,296</u>
2,902,176		PROFIT BEFORE TAXATION			
		Tax on profit	6		<u>630,080</u>
<u>442,136</u>					<u>3,504,216</u>
<u>2,460,040</u>		PROFIT FOR THE FINANCIAL YEAR			<u>3,504,216</u>
		Profit attributable to:			
<u>2,460,040</u>		Owners of the parent			<u>3,504,216</u>

The notes form part of these financial statements

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the year ended 30 JUNE 2019

2018		Notes	2019
£			£
2,460,040	PROFIT FOR THE YEAR		3,504,216
-	OTHER COMPREHENSIVE INCOME		-
<u>2,460,040</u>	TOTAL COMPREHENSIVE INCOME		<u>3,504,216</u>
<u>2,460,040</u>	Total comprehensive income attributable to: Owners of the parent		<u>3,504,216</u>

The notes form part of these financial statements

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

CONSOLIDATED BALANCE SHEET

30 JUNE 2019

2018			Notes	2019	
£	£			£	£
		FIXED ASSETS			
9,648,741		Tangible assets	9		11,872,682
		Investments	10		
		Interest in joint venture			
2,671,989		Share of gross assets			2,738,161
(456,170)		Share of gross liabilities			(432,877)
<u>2,215,819</u>					<u>2,305,284</u>
336		Other investments			235
<u>11,864,896</u>					<u>14,178,201</u>
		CURRENT ASSETS			
	2,590,102	Stocks	11	2,722,543	
	3,244,588	Debtors	12	3,932,886	
	<u>4,192,830</u>	Cash at bank		<u>5,714,530</u>	
	10,027,520			12,369,959	
		CREDITORS			
	<u>5,214,897</u>	Amounts falling due within one year	13	<u>5,532,897</u>	
<u>4,812,623</u>		NET CURRENT ASSETS			<u>6,837,062</u>
16,677,519		TOTAL ASSETS LESS CURRENT LIABILITIES			21,015,263
		CREDITORS			
(3,048,704)		Amounts falling due after more than one year	14		(4,366,992)
(127,468)		PROVISIONS FOR LIABILITIES	19		(189,151)
<u>(255,236)</u>		ACCRUALS AND DEFERRED INCOME	20		<u>(233,793)</u>
<u>13,246,111</u>		NET ASSETS			<u>16,225,327</u>
		CAPITAL AND RESERVES			
100		Called up share capital	21		100
<u>13,246,011</u>		Retained earnings	22		<u>16,225,227</u>
<u>13,246,111</u>		SHAREHOLDERS' FUNDS			<u>16,225,327</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2020 and were signed on its behalf by:

W P Bruce - Director

The notes form part of these financial statements

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

COMPANY BALANCE SHEET
30 JUNE 2019

2018			Notes	2019	
£	£			£	£
9,360,539		FIXED ASSETS			
<u>486</u>		Tangible assets	9		11,684,295
9,361,025		Investments	10		<u>385</u>
					11,684,680
		CURRENT ASSETS			
	572,960	Stocks	11	636,902	
	4,065,106	Debtors	12	4,313,890	
	<u>3,482,258</u>	Cash at bank		<u>5,446,391</u>	
	8,120,324			10,397,183	
		CREDITORS			
	<u>3,145,139</u>	Amounts falling due within one year	13	<u>3,488,769</u>	
<u>4,975,185</u>		NET CURRENT ASSETS			<u>6,908,414</u>
14,336,210		TOTAL ASSETS LESS CURRENT LIABILITIES			18,593,094
		CREDITORS			
(3,048,704)		Amounts falling due after more than one year	14		(4,366,992)
(106,856)		PROVISIONS FOR LIABILITIES	19		(181,358)
<u>(255,236)</u>		ACCRUALS AND DEFERRED INCOME	20		<u>(233,793)</u>
<u>10,925,414</u>		NET ASSETS			<u>13,810,951</u>
		CAPITAL AND RESERVES			
100		Called up share capital	21	100	
<u>10,925,314</u>		Retained earnings	22	<u>13,810,851</u>	
<u>10,925,414</u>		SHAREHOLDERS' FUNDS		<u>13,810,951</u>	
		Company's profit for the financial year			<u>3,410,537</u>
<u>2,414,170</u>					

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2020 and were signed on its behalf by:

W P Bruce - Director

The notes form part of these financial statements

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 JUNE 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2017	100	11,260,971	11,261,071
Changes in equity			
Dividends	-	(475,000)	(475,000)
Total comprehensive income	-	2,460,040	2,460,040
Balance at 30 June 2018	<u>100</u>	<u>13,246,011</u>	<u>13,246,111</u>
Changes in equity			
Dividends	-	(525,000)	(525,000)
Total comprehensive income	-	3,504,216	3,504,216
Balance at 30 June 2019	<u>100</u>	<u>16,225,227</u>	<u>16,225,327</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 JUNE 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2017	100	8,986,144	8,986,244
Changes in equity			
Dividends	-	(475,000)	(475,000)
Total comprehensive income	-	2,414,170	2,414,170
Balance at 30 June 2018	<u>100</u>	<u>10,925,314</u>	<u>10,925,414</u>
Changes in equity			
Dividends	-	(525,000)	(525,000)
Total comprehensive income	-	3,410,537	3,410,537
Balance at 30 June 2019	<u>100</u>	<u>13,810,851</u>	<u>13,810,951</u>

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 JUNE 2019

2018		2019
£	Notes	£
	Cash flows from operating activities	
3,469,872	Cash generated from operations	3,322,932
(127,735)	Interest paid	(143,931)
(20,400)	Interest element of hire purchase payments paid	(18,527)
(423,038)	Tax paid	(453,752)
<u>2,898,699</u>	Net cash from operating activities	<u>2,706,722</u>
	Cash flows from investing activities	
(949,962)	Purchase of tangible fixed assets	(3,367,223)
152,200	Sale of tangible fixed assets	748,295
-	Sale of fixed asset investments	101
3,990	Interest received	12,610
675,000	Dividends received	850,000
<u>(118,772)</u>	Net cash from investing activities	<u>(1,756,217)</u>
	Cash flows from financing activities	
-	New loans in year	1,500,000
(238,309)	Loan repayments in year	(234,019)
(297,810)	Capital repayments in year	(197,121)
482,700	Amount introduced by directors	532,700
(514,680)	Amount withdrawn by directors	(505,365)
(475,000)	Equity dividends paid	(525,000)
<u>(1,043,099)</u>	Net cash from financing activities	<u>571,195</u>
1,736,828	Increase in cash and cash equivalents	1,521,700
2,456,002	Cash and cash equivalents at beginning of year	4,192,830
<u>4,192,830</u>	Cash and cash equivalents at end of year	<u>5,714,530</u>

The notes form part of these financial statements

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 JUNE 2019

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

	2019	2018
	£	£
Profit before taxation	4,134,296	2,902,176
Depreciation charges	841,175	789,928
Profit on disposal of fixed assets	(135,047)	(113,162)
Finance costs	162,458	148,135
Finance income	<u>(952,075)</u>	<u>(700,536)</u>
	4,050,807	3,026,541
Increase in stocks	(132,441)	(241,411)
(Increase)/decrease in trade and other debtors	(688,298)	420,193
Increase in trade and other creditors	<u>92,864</u>	<u>264,549</u>
Cash generated from operations	<u>3,322,932</u>	<u>3,469,872</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2019

	30.6.19	1.7.18
	£	£
Cash and cash equivalents	<u>5,714,530</u>	<u>4,192,830</u>

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	<u>4,192,830</u>	<u>2,456,002</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 JUNE 2019

1. **STATUTORY INFORMATION**

W P Bruce Limited is a private company, limited by shares, registered in Scotland, registration number SC036202. The registered office is Balmyle, Meigle, Perthshire, PH12 8QU.

The principal activity of the company is farming.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

After reviewing the company's forecasts and projections, which include a detailed assessment of the impact of COVID-19 on the operations of the business, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is written off in the year of acquisition

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Joint ventures are consolidated using the equity method.

Significant judgements and estimates

In preparing these financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements:

Plant and equipment

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on management experience with similar assets. The depreciation rates applied are outlined later in these notes.

Stock

As the majority of stock is crop stock, there is little physical stock at the year end and valuation relies on the directors applying a suitable methodology, as outlined in the "Stock" policy later in these notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

2. **ACCOUNTING POLICIES - continued**

Turnover

Turnover is measured at the fair value of consideration received or receivable, taking into account the amount of any discounts and rebates allowed by the entity, but excluding value added tax and other sales taxes.

Sale of crops and livestock

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Contracting and other services

Income from such services is recognised when performed, such that risks and rewards have been transferred.

Rental income

Rental income from land and cottages is recognised on a straight-line basis over the term of the relevant lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 5% on cost
Plant and machinery	- 33% on cost and 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer Equipment	- 33% on cost

Stocks

As the main crop growing season is during the months of June to August, there is no physical harvested crop at the year end. Therefore, stock valuation is based on cost per acre of sowing land, where costs are those that are incurred in getting crops to the stage of completion at the year end.

Livestock is valued at the lower of cost and net realisable value.

Financial instruments

The group has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents comprises cash balances. Bank overdrafts that are payable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Short term employee benefits

Short term employee benefits, including holiday pay, are recognised as an expense in profit and loss in the period in which they are incurred. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	1,164,186	1,149,609
Social security costs	120,493	116,617
Other pension costs	31,910	44,749
	<u>1,316,589</u>	<u>1,310,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

3. EMPLOYEES AND DIRECTORS - continued

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

	2019	2018
Management	3	3
Administration	3	3
Production	<u>46</u>	<u>47</u>
	<u>52</u>	<u>53</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 23 (2018 - 24).

	2019	2018
	£	£
Directors' remuneration	<u>45,970</u>	<u>50,428</u>

4. OPERATING PROFIT

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

	2019	2018
	£	£
Hire of plant and machinery	48,171	48,753
Depreciation - owned assets	571,076	560,903
Depreciation - assets on hire purchase contracts	270,099	229,024
Profit on disposal of fixed assets	(135,047)	(113,162)
Auditors' remuneration	12,720	12,500
Foreign exchange differences	<u>(4)</u>	<u>(971)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	103,875	111,736
Interest on Corporation Tax	5,556	3,999
Loan interest	34,500	12,000
Hire purchase	<u>18,527</u>	<u>20,400</u>
	<u>162,458</u>	<u>148,135</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

6. TAXATION

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	568,374	453,708
Prior year tax overprovision	23	-
Total current tax	<u>568,397</u>	<u>453,708</u>
Deferred tax	61,683	(11,572)
Tax on profit	<u>630,080</u>	<u>442,136</u>

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Profit before tax	<u>4,134,296</u>	<u>2,902,176</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2018 - 19 %)	785,516	551,413
Effects of:		
Expenses not deductible for tax purposes	7,070	11,252
Income not taxable for tax purposes	-	(352)
Capital allowances in excess of depreciation	(45,714)	-
Depreciation in excess of capital allowances	-	23,739
Adjustments to tax charge in respect of previous periods	23	-
Share of income in joint venture already charged to tax	(178,498)	(132,344)
Movement in deferred taxation	61,683	(11,572)
Total tax charge	<u>630,080</u>	<u>442,136</u>

Subsidiary entities consolidated in these financial statements are subject to taxes on their own profits and this tax expense is reported in these consolidated financial statements. The tax expense is the sum of the current and deferred tax charges of those entities and is calculated using tax rates that have been enacted or substantively enacted at the reporting date. Current and deferred taxes are recognised in the income statement, except where they relate to items that are recognised in other comprehensive income, in which case they are recognised in other comprehensive income.

7. INDIVIDUAL INCOME STATEMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

8. DIVIDENDS

	2019	2018
	£	£
Ordinary shares of £1 each		
Interim	<u>525,000</u>	<u>475,000</u>

9. TANGIBLE FIXED ASSETS

Group

	Totals	Freehold	Plant and	Motor	Computer
	£	property	machinery	vehicles	Equipment
	£	£	£	£	£
COST					
At 1 July 2018	15,610,864	8,732,306	6,776,525	89,586	12,447
Additions	3,678,364	2,510,701	1,164,764	-	2,899
Disposals	<u>(1,030,857)</u>	<u>(424,356)</u>	<u>(606,501)</u>	-	-
At 30 June 2019	<u>18,258,371</u>	<u>10,818,651</u>	<u>7,334,788</u>	<u>89,586</u>	<u>15,346</u>
DEPRECIATION					
At 1 July 2018	5,962,123	1,265,127	4,628,695	60,466	7,835
Charge for year	841,175	158,229	673,016	7,280	2,650
Eliminated on disposal	<u>(417,609)</u>	-	<u>(417,609)</u>	-	-
At 30 June 2019	<u>6,385,689</u>	<u>1,423,356</u>	<u>4,884,102</u>	<u>67,746</u>	<u>10,485</u>
NET BOOK VALUE					
At 30 June 2019	<u>11,872,682</u>	<u>9,395,295</u>	<u>2,450,686</u>	<u>21,840</u>	<u>4,861</u>
At 30 June 2018	<u>9,648,741</u>	<u>7,467,179</u>	<u>2,147,830</u>	<u>29,120</u>	<u>4,612</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and
	machinery
	£
COST	
At 1 July 2018	1,490,000
Additions	761,364
Transfer to ownership	<u>(360,000)</u>
At 30 June 2019	<u>1,891,364</u>
DEPRECIATION	
At 1 July 2018	612,930
Charge for year	270,099
Transfer to ownership	<u>(246,094)</u>
At 30 June 2019	<u>636,935</u>
NET BOOK VALUE	
At 30 June 2019	<u>1,254,429</u>
At 30 June 2018	<u>877,070</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

9. **TANGIBLE FIXED ASSETS - continued**

Company

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1 July 2018	14,949,536	8,732,306	6,145,043	72,187
Additions	3,657,525	2,510,701	1,146,824	-
Disposals	(1,030,857)	(424,356)	(606,501)	-
At 30 June 2019	<u>17,576,204</u>	<u>10,818,651</u>	<u>6,685,366</u>	<u>72,187</u>
DEPRECIATION				
At 1 July 2018	5,588,997	1,265,127	4,280,803	43,067
Charge for year	720,521	158,229	555,012	7,280
Eliminated on disposal	(417,609)	-	(417,609)	-
At 30 June 2019	<u>5,891,909</u>	<u>1,423,356</u>	<u>4,418,206</u>	<u>50,347</u>
NET BOOK VALUE				
At 30 June 2019	<u>11,684,295</u>	<u>9,395,295</u>	<u>2,267,160</u>	<u>21,840</u>
At 30 June 2018	<u>9,360,539</u>	<u>7,467,179</u>	<u>1,864,240</u>	<u>29,120</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 July 2018	1,490,000
Additions	761,364
Transfer to ownership	(360,000)
At 30 June 2019	<u>1,891,364</u>
DEPRECIATION	
At 1 July 2018	612,930
Charge for year	270,099
Transfer to ownership	(246,094)
At 30 June 2019	<u>636,935</u>
NET BOOK VALUE	
At 30 June 2019	<u>1,254,429</u>
At 30 June 2018	<u>877,070</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

10. **FIXED ASSET INVESTMENTS**

Group

	Totals £	Interest in joint venture £	Unlisted investments £
COST			
At 1 July 2018	2,216,155	2,215,819	336
Additions	939,465	939,465	-
Disposals	(101)	-	(101)
Dividends received	(850,000)	(850,000)	-
At 30 June 2019	<u>2,305,519</u>	<u>2,305,284</u>	<u>235</u>
NET BOOK VALUE			
At 30 June 2019	<u>2,305,519</u>	<u>2,305,284</u>	<u>235</u>
At 30 June 2018	<u>2,216,155</u>	<u>2,215,819</u>	<u>336</u>

Company

	Totals £	Shares in group undertakings £	Interest in joint venture £	Unlisted investments £
COST				
At 1 July 2018	486	100	50	336
Disposals	(101)	-	-	(101)
At 30 June 2019	<u>385</u>	<u>100</u>	<u>50</u>	<u>235</u>
NET BOOK VALUE				
At 30 June 2019	<u>385</u>	<u>100</u>	<u>50</u>	<u>235</u>
At 30 June 2018	<u>486</u>	<u>100</u>	<u>50</u>	<u>336</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

W P Bruce (Peas) Ltd

Registered office: Balmyle, Meigle, Perthshire, PH12 8QU

Nature of business: Farming

	%		
	holding		
Class of shares:			
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		109,242	105,028
Profit for the year		<u>1,904,214</u>	<u>1,774,324</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

10. FIXED ASSET INVESTMENTS - continued

Joint venture

Dundee Cold Stores Ltd

Registered office: Whittle Place, Gourdie Industrial Estate, Dundee, DD2 4TD

Nature of business: Processing & refrigeration

Class of shares:	%		
Ordinary	holding		
	50.00		
		31.12.18	31.12.17
		£	£
Aggregate capital and reserves		4,610,569	4,431,638
Profit for the year		<u>1,878,931</u>	<u>1,393,091</u>

A non-coterminous year end of greater than 3 months has been used for consolidating the results of the joint venture entity, Dundee Cold Stores Limited. Accurate accounts information for this company was not available at the time of preparing the group accounts, therefore the results for the year ended 31 December 2018 were used as the directors consider that these would not be materially different from 30 June 2019.

11. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stocks	<u>2,722,543</u>	<u>2,590,102</u>	<u>636,902</u>	<u>572,960</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	3,341,008	2,673,153	3,230,325	2,533,628
Amounts owed by group undertakings	-	-	732,291	1,302,577
Other debtors	-	3,047	-	3,047
VAT	89,466	82,689	52,306	50,781
Prepayments and accrued income	<u>502,412</u>	<u>485,699</u>	<u>298,968</u>	<u>175,073</u>
	<u>3,932,886</u>	<u>3,244,588</u>	<u>4,313,890</u>	<u>4,065,106</u>

W P BRUCE LIMITED (REGISTERED NUMBER: SC036202)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 15)	234,314	224,314	234,314	224,314
Other loans (see note 15)	200,000	200,000	200,000	200,000
Hire purchase contracts (see note 16)	248,833	197,120	248,833	197,120
Trade creditors	1,411,394	1,377,292	338,174	199,012
Amounts owed to joint ventures	975,000	925,000	975,000	925,000
Amounts owed to associates	-	100	-	100
Corporation Tax	568,330	453,685	108,491	47,127
Social security and other taxes	34,182	99,234	15,755	18,032
Directors' loan accounts	1,282,612	1,255,277	1,282,612	1,255,277
Accrued expenses	578,232	482,875	85,590	79,157
	<u>5,532,897</u>	<u>5,214,897</u>	<u>3,488,769</u>	<u>3,145,139</u>

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 15)	2,515,190	2,759,209	2,515,190	2,759,209
Other loans (see note 15)	1,500,000	-	1,500,000	-
Hire purchase contracts (see note 16)	351,802	289,495	351,802	289,495
	<u>4,366,992</u>	<u>3,048,704</u>	<u>4,366,992</u>	<u>3,048,704</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

15. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	234,314	224,314	234,314	224,314
Other Loan	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	<u>434,314</u>	<u>424,314</u>	<u>434,314</u>	<u>424,314</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	234,314	224,314	234,314	224,314
Peter Bruce Trust	<u>135,000</u>	<u>-</u>	<u>135,000</u>	<u>-</u>
	<u>369,314</u>	<u>224,314</u>	<u>369,314</u>	<u>224,314</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	702,942	672,942	702,942	672,942
Peter Bruce Trust	<u>29,840</u>	<u>-</u>	<u>29,840</u>	<u>-</u>
	<u>732,782</u>	<u>672,942</u>	<u>732,782</u>	<u>672,942</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Loan over 5 yrs	1,577,934	1,861,953	1,577,934	1,861,953
Peter Bruce Trust	<u>1,335,160</u>	<u>-</u>	<u>1,335,160</u>	<u>-</u>
	<u>2,913,094</u>	<u>1,861,953</u>	<u>2,913,094</u>	<u>1,861,953</u>

Amounts falling due after more than 5 years comprise 4 different loans from Royal Bank of Scotland which are repaid annually with varying terms remaining.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	262,234	215,637
Between one and five years	<u>365,047</u>	<u>316,051</u>
	<u>627,281</u>	<u>531,688</u>
Finance charges repayable:		
Within one year	13,401	18,517
Between one and five years	<u>13,245</u>	<u>26,556</u>
	<u>26,646</u>	<u>45,073</u>
Net obligations repayable:		
Within one year	248,833	197,120
Between one and five years	<u>351,802</u>	<u>289,495</u>
	<u>600,635</u>	<u>486,615</u>

Company

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	262,234	215,637
Between one and five years	<u>365,047</u>	<u>316,051</u>
	<u>627,281</u>	<u>531,688</u>
Finance charges repayable:		
Within one year	13,401	18,517
Between one and five years	<u>13,245</u>	<u>26,556</u>
	<u>26,646</u>	<u>45,073</u>
Net obligations repayable:		
Within one year	248,833	197,120
Between one and five years	<u>351,802</u>	<u>289,495</u>
	<u>600,635</u>	<u>486,615</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	2,749,504	2,983,523	2,749,504	2,983,523
Hire purchase contracts	<u>600,635</u>	<u>486,615</u>	<u>600,635</u>	<u>486,615</u>
	<u><u>3,350,139</u></u>	<u><u>3,470,138</u></u>	<u><u>3,350,139</u></u>	<u><u>3,470,138</u></u>

The company has granted a standard security over the freehold property and a bond and floating charge in favour of its bankers.

18. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows

	2019	2018
£		
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>12,370,059</u>	<u>10,048,042</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>5,532,959</u>	<u>5,235,419</u>

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>189,151</u>	<u>127,468</u>	<u>181,358</u>	<u>106,856</u>
Group				Deferred tax
				£
Balance at 1 July 2018				127,468
Provided during year				<u>61,683</u>
Balance at 30 June 2019				<u><u>189,151</u></u>
Company				Deferred tax
				£
Balance at 1 July 2018				106,856
Provided during year				<u>74,502</u>
Balance at 30 June 2019				<u><u>181,358</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

20. ACCRUALS AND DEFERRED INCOME

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred government grants	<u>233,793</u>	<u>255,236</u>	<u>233,793</u>	<u>255,236</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

22. RESERVES

Group		Retained earnings £
At 1 July 2018		13,246,011
Profit for the year		3,504,216
Dividends		(525,000)
At 30 June 2019		<u>16,225,227</u>
Company		Retained earnings £
At 1 July 2018		10,925,314
Profit for the year		3,410,537
Dividends		(525,000)
At 30 June 2019		<u>13,810,851</u>

23. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company to the funds and amounted to £31,910 (2018 - £44,749).

24. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>178,903</u>	<u>118,740</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 30 JUNE 2019

25. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £525,000 were paid to the directors .

The directors, who have authority and responsibility for planning, directing and controlling the activities of the Company, are considered to be key management personnel. Total remuneration in respect of these individuals is £45,970 (2018 - £50,428).

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.