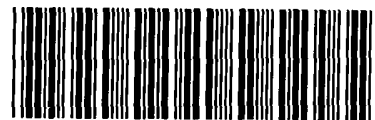


PERTWEE & BACK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

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COMPANIES HOUSE

PERTWEE & BACK LIMITED

COMPANY INFORMATION

DIRECTORS	M T Collier R S Collier N L Collier T M Collier (appointed 10 February 2015)
COMPANY SECRETARY	S Hatton
REGISTERED NUMBER	00237370
REGISTERED OFFICE	Gapton Hall Road Great Yarmouth Norfolk NR31 0NJ
INDEPENDENT AUDITORS	Larking Gowen Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
BANKERS	Barclays Bank 3 St James Court Whitefriars Norwich Norfolk NR3 1RJ
SOLICITORS	Mears Hobbs & Durrant 92 High Street Gorleston Norfolk NR31 6RH

PERTWEE & BACK LIMITED

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PERTWEE & BACK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and the audited financial statements for the year ended 31 October 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the 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 of 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

DIVIDENDS

No dividends were paid in the year.

DIRECTORS

The directors who served during the year were:

M T Coller
R S Coller
N L Coller
T M Coller (appointed 10 February 2015)

DISCLOSURE OF INFORMATION TO AUDITORS


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

PERTWEE & BACK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015**

This report was approved by the board and signed on its behalf.


.....
S Hatton
Secretary

Date: 17/3/2016

PERTWEE & BACK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015**

BUSINESS REVIEW

The directors are satisfied with the performance of the company during the last 12 months.

The company has sold a high volume of cars in the year but these have mostly been at a low profit margin. The directors do not anticipate this trend will change in the short term.

PRINCIPAL RISKS AND UNCERTAINTIES

The company continues to face challenging economic conditions, and is affected by a reduction in consumer spending and borrowing. However, the company is well positioned due to the high quality of stocks held, keen pricing strategies and good customer relationships.

FINANCIAL KEY PERFORMANCE INDICATORS

Gross profit margins for the year have remained stable at 1.8% in 2015 compared to 1.2% in 2014.

Profit after tax for the year has decreased from £165,085 in 2014 to £133,603.

FINANCIAL INSTRUMENTS

The company's principal financial instruments include financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

The company manages its cash requirements to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resource to meet the operational needs of its business.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the trading in motor vehicles and spare parts and the provision of repair and maintenance services.

This report was approved by the board on 16th March 2016 and signed on its behalf.



.....
S Hatton
Secretary

PERTWEE & BACK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERTWEE & BACK LIMITED

We have audited the financial statements of Pertwee & Back Limited for the year ended 31 October 2015, set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its 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.

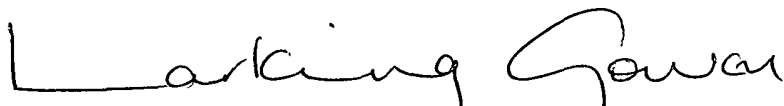
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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, 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.



Julie Grimmer FCA (Senior statutory auditor)
for and on behalf of

Larking Gowen
Chartered Accountants
Statutory Auditors

Norwich

Date:

18 March 2016

PERTWEE & BACK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
TURNOVER		44,232,921	60,453,444
Cost of sales		<u>(43,422,776)</u>	<u>(59,735,589)</u>
GROSS PROFIT		810,145	717,855
Administrative expenses		(726,043)	(761,097)
Other operating income	3	<u>35,759</u>	<u>65,419</u>
OPERATING PROFIT	4	119,861	22,177
EXCEPTIONAL ITEMS	8		
Net profit on sale of tangible fixed assets	8	<u>-</u>	<u>136,695</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		119,861	158,872
Interest receivable and similar income		9,677	8,933
Other finance income	7	<u>9,000</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		138,538	167,805
Tax on profit on ordinary activities	9	<u>(4,935)</u>	<u>(2,720)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>133,603</u>	<u>165,085</u>

All amounts relate to continuing operations.

The notes on pages 9 to 20 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR		133,603	165,085
Actuarial (loss) / gain related to pension scheme		(75,000)	10,000
Deferred tax attributable to pension scheme		4,200	(2,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		62,803	173,085

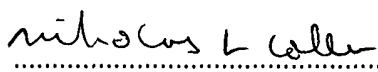
The notes on pages 9 to 20 form part of these financial statements.

PERTWEE & BACK LIMITED
REGISTERED NUMBER: 00237370

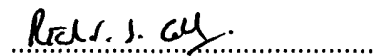
BALANCE SHEET
AS AT 31 OCTOBER 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	10		652,967		678,853
Investment property	11		200,000		200,000
Investments	12		3,550		3,550
			<u>856,517</u>		<u>882,403</u>
CURRENT ASSETS					
Stocks	13	7,391,697		4,845,200	
Debtors	14	512,223		1,210,155	
Cash at bank and in hand		2,202,190		3,086,861	
		<u>10,106,110</u>		<u>9,142,216</u>	
CREDITORS: amounts falling due within one year	15	<u>(8,494,960)</u>		<u>(7,602,955)</u>	
NET CURRENT ASSETS			<u>1,611,150</u>		<u>1,539,261</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,467,667</u>		<u>2,421,664</u>
Defined benefit pension scheme liability	22		(88,000)		(104,800)
NET ASSETS			<u><u>2,379,667</u></u>		<u><u>2,316,864</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		2,012		2,012
Revaluation reserve	17		47,755		47,755
Capital redemption reserve	17		3,088		3,088
Profit and loss account	17		2,326,812		2,264,009
SHAREHOLDERS' FUNDS	18		<u><u>2,379,667</u></u>		<u><u>2,316,864</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



N L Collier
 Director



R S Collier
 Director

Date: 17/3/2016

The notes on pages 9 to 20 form part of these financial statements.

PERTWEE & BACK LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	19	(891,513)	516,548
Returns on investments and servicing of finance	20	9,677	8,933
Taxation		5,680	(1,464)
Capital expenditure and financial investment	20	(8,515)	274,565
(DECREASE)/INCREASE IN CASH IN THE YEAR		(884,671)	798,582

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(884,671)	798,582
MOVEMENT IN NET DEBT IN THE YEAR	(884,671)	798,582
Net funds at 1 November 2014	3,086,861	2,288,279
NET FUNDS AT 31 OCTOBER 2015	2,202,190	3,086,861

The notes on pages 9 to 20 form part of these financial statements.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover represents sales of vehicles and vehicle spares and is stated net of value added tax, discounts, cash sales incentives, customer bonuses and rebates granted. Turnover is recognised when the principal risks and rewards of ownership of the goods are transferred to the customer.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight Line
Plant & machinery	-	12.5%-25% Straight Line
Motor vehicles	-	25% Reducing Balance
Fixtures & fittings	-	12.5% Straight Line
Solar panels	-	4% Straight Line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Work in progress includes all direct costs and an appropriate proportion of fixed and variable overheads.

Stocks held on consignment are accounted for in the balance sheet when the terms of the consignment agreement and commercial practice indicate that the principal benefits of owning stock (i.e. the ability to sell it) and the principal risks of ownership (i.e. stockholding cost, responsibility for the safekeeping and some risk of obsolescence) rest with the company. Consignment stock not meeting those criteria are disclosed in the notes of the accounts but are not accounted for in the balance sheet.

Vehicles which are subject to repurchase agreements under the Motability purchase assistance scheme are included in stock at the agreed repurchase price with an associated liability in creditors.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 6 April 2014.

The scheme's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The liabilities of the scheme are measured by discounting the future cash flows using the projected unit method. The projected unit method is an accrued benefits valuation method. The pension scheme assets are valued at market rate. The pension scheme deficit is recognised in full on the balance sheet.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

2. TURNOVER

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2015 £	2014 £
Net rents receivable	15,000	34,100
Commissions receivable	20,759	31,319
	<u>35,759</u>	<u>65,419</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the company	33,903	34,633
Auditors' remuneration	<u>8,500</u>	<u>8,500</u>

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,161,820	1,202,963
Social security costs	92,806	99,573
Other pension costs - Note 22	51,607	198,225
	<u>1,306,233</u>	<u>1,500,761</u>

The average monthly number of employees, including the directors, during the year was as follows:

2015 No.	2014 No.
<u>63</u>	<u>67</u>

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

6. DIRECTORS' REMUNERATION

	2015	2014
	£	£
Remuneration	117,469	103,577
Company pension contributions to defined contribution pension schemes	4,142	13,604

During the year retirement benefits were accruing to 3 directors (2014 - 2) in respect of defined contribution pension schemes..

7. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	157,000	175,000
Interest on pension scheme liabilities	(148,000)	(175,000)
	9,000	-

8. EXCEPTIONAL ITEMS

	2015	2014
	£	£
Profit on disposal of fixed assets	-	136,695

There were no chargeable gains for taxation on the exceptional items in the prior year.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

9. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	4,935	8,547
Adjustments in respect of prior periods	-	(5,827)
Tax on profit on ordinary activities	<u>4,935</u>	<u>2,720</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>138,538</u>	<u>167,805</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	27,708	33,561
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,873	(20,731)
Capital allowances for year in excess of depreciation	6,262	2,256
Utilisation of tax losses	-	(5,057)
Adjustments to tax charge in respect of prior periods	-	(5,827)
Short term timing difference leading to an increase (decrease) in taxation	-	2,215
Non-taxable income	(19,200)	-
Other differences leading to an increase / (decrease) in the tax charge	(15,708)	(3,697)
Current tax charge for the year (see note above)	<u>4,935</u>	<u>2,720</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Solar panels £	Total £
Cost						
At 1 November 2014	885,211	357,660	99,143	120,293	49,244	1,511,551
Additions	-	8,515	-	-	-	8,515
Disposals	-	(56,390)	-	-	-	(56,390)
At 31 October 2015	885,211	309,785	99,143	120,293	49,244	1,463,676
Depreciation						
At 1 November 2014	313,802	332,893	84,838	95,255	5,910	832,698
Charge for the year	14,642	9,542	3,575	4,174	1,970	33,903
On disposals	-	(55,892)	-	-	-	(55,892)
At 31 October 2015	328,444	286,543	88,413	99,429	7,880	810,709
Net book value						
At 31 October 2015	556,767	23,242	10,730	20,864	41,364	652,967
At 31 October 2014	571,409	24,767	14,305	25,038	43,334	678,853

Freehold land and buildings includes land of £153,125 (2014 - £153,125) which is not depreciated.

11. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 November 2014 and 31 October 2015	200,000
Comprising	
Cost	152,245
Revaluation surplus: 2013	47,755
At 31 October 2015	200,000

The 2015 valuations were made by the directors, on an open market value for existing use basis.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost	
At 1 November 2014 and 31 October 2015	3,550
Net book value	
At 31 October 2015	3,550
At 31 October 2014	3,550

Fixed asset investments consist of collectors cars which are held by the company for their investment value and are used for promotional work. The valuation given by the directors is £12,000 (2014: £12,000).

13. STOCKS

	2015 £	2014 £
Raw materials	20,176	30,855
Work in progress	73,233	68,419
Finished goods and goods for resale	7,298,288	4,745,926
	<u>7,391,697</u>	<u>4,845,200</u>

At the year end, the value of consignment stock which is included within finished goods and goods for resale is £1,907,761 (2014: £276,098). The value of consignment stock which did not meet the recognition criteria as set out in note 1.7 was £Nil (2014: £Nil).

14. DEBTORS

	2015 £	2014 £
Trade debtors	407,108	1,064,121
Other debtors	52,006	92,704
Prepayments and accrued income	53,109	53,330
	<u>512,223</u>	<u>1,210,155</u>

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

15. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	7,920,535	5,811,882
Corporation tax	10,762	8,547
Other taxation and social security	496,958	1,728,510
Other creditors	31,610	313
Accruals and deferred income	35,095	53,703
	<u>8,494,960</u>	<u>7,602,955</u>

16. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
2,012 Ordinary shares of £1 each	<u>2,012</u>	<u>2,012</u>

17. RESERVES

	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 November 2014	3,088	47,755	2,264,009
Profit for the year			133,603
Pension reserve movement			(70,800)
At 31 October 2015	<u>3,088</u>	<u>47,755</u>	<u>2,326,812</u>

The closing balance on the profit and loss account includes a £88,000 (2014 - £104,800) debit, stated after deferred taxation of £22,000 (2014 - £26,200), in respect of pension scheme liabilities of the company pension scheme.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	2,316,864	2,143,779
Profit for the year	133,603	165,085
Other recognised gains and losses during the year	(70,800)	8,000
	<u>2,379,667</u>	<u>2,316,864</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	119,861	22,177
Depreciation of tangible fixed assets	33,903	34,633
Loss on disposal of tangible fixed assets	498	-
(Increase)/decrease in stocks	(2,546,499)	4,132,853
Decrease in debtors	697,933	274,438
Increase/(decrease) in creditors	889,791	(3,947,553)
Pension contributions by employer	(87,000)	-
	<u>(891,513)</u>	<u>516,548</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	9,677	8,933
	<u>9,677</u>	<u>8,933</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(8,515)	(6,247)
Sale of tangible fixed assets	-	230,812
Sale of investment properties	-	50,000
	<u>(8,515)</u>	<u>274,565</u>

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 November 2014 £	Cash flow £	Other non-cash changes £	31 October 2015 £
Cash at bank and in hand	3,086,861	(884,671)	-	2,202,190
Net funds	3,086,861	(884,671)	-	2,202,190

22. PENSION COMMITMENTS

(a) Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £51,607 (2014: £140,339).

(b) Defined Benefit Pension Scheme

The company operates a defined benefit pension scheme.

The scheme provides benefits to members based on their final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. This was closed to new employees on 1 March 2008. The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of contributions payable. The proceeds from the scheme's assets are expected to be sufficient to fund the benefits payable under the scheme. The most recent FRS17 report of the scheme was prepared as at 31 October 2015 by CPRM Limited, for the purposes of accounts disclosure. This valuation showed scheme assets of £3,489,000, liabilities of £3,599,000 leaving a liability of £110,000, which after allowing for tax relief would reduce to £88,000.

The most recent full actuarial valuation of the scheme was prepared as at 6 April 2014 by CPRM Limited.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,599,000)	(3,897,000)
Fair value of scheme assets	3,489,000	3,766,000
Deficit in scheme	(110,000)	(131,000)
Related deferred tax asset	22,000	26,200
Net liability	(88,000)	(104,800)

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

22. PENSION COMMITMENTS (continued)

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Interest on obligation	(148,000)	(175,000)
Expected return on scheme assets	157,000	175,000
Total	<u>9,000</u>	<u>-</u>

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	3,897,000	4,203,000
Interest cost	148,000	175,000
Actuarial (gains)/losses	152,000	(18,000)
Benefits paid	(598,000)	(463,000)
Closing defined benefit obligation	<u>3,599,000</u>	<u>3,897,000</u>

Changes in the fair value of scheme assets were as follows:

	2015 £	2014 £
Opening fair value of scheme assets	3,766,000	4,062,000
Expected return on assets	157,000	175,000
Actuarial gains/(losses)	77,000	(8,000)
Contributions by employer	87,000	-
Benefits paid	(598,000)	(463,000)
	<u>3,489,000</u>	<u>3,766,000</u>

The company expects to contribute £NIL to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
European equities	- %	46.00 %
European bonds	42.00 %	51.00 %
Cash	2.00 %	3.00 %
Diversified growth	56.00 %	-

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate at 31 October	4.00 %	4.10 %
Expected return on scheme assets at 31 October	4.00 %	4.50 %
Inflation assumption	3.30 %	3.30 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015	2014
Retiring today		
Males	22.3	22.2
Females	24.6	24.5
Retiring in 20 years		
Males	23.6	23.6
Females	26.1	26.1

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in respective markets.

The actual return on scheme assets in the year was £286,000 (2014: £228,000).

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(3,599,000)	(3,897,000)	(4,203,000)	(4,333,000)	(4,180,000)
Scheme assets	3,489,000	3,766,000	4,062,000	4,166,000	4,202,000
(Deficit)/surplus	(110,000)	(131,000)	(141,000)	(167,000)	22,000
Experience adjustments on scheme liabilities	(33,000)	(240,000)	(266,000)	(282,000)	(73,000)
Experience adjustments on scheme assets	77,000	(8,000)	197,000	116,000	(76,000)

23. CONTROLLING PARTY

There is no overall controlling party in the opinion of the Directors.