

Registered number: 00237370

PERTWEE & BACK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016



PERTWEE & BACK LIMITED

COMPANY INFORMATION

Directors	M T Collier R S Collier N L Collier T M Collier
Company secretary	S P 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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2016**

The directors present their strategic report for Pertwee & Back Limited for the year ended 31 October 2016.

Introduction

The principal activity of the company continued to be that of a car dealership.

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.

During the year the company disposed of its body shop business and continues to focus on its core activity of being a retail car dealership.

Fluctuations and uncertainties in the financial markets, particularly following the Brexit vote, have impacted on the key assumptions used by the scheme actuaries in calculating the company's net pension scheme liability leading to a significant increase in the liability at the balance sheet date.

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 decreased from 1.8% in 2015 to 1.7% in 2016.

Profit after tax for the year has decreased from £32,603 in 2015 to a loss of £15,184 in 2016.

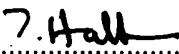
Given the straightforward nature of the business the directors see no need for further analysis of key performance indicators to understand the company's position.

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.

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


.....
S P Hatton
Secretary

Date: 2 March 2017

PERTWEE & BACK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

Results and dividends

The loss for the year, after taxation, amounted to £16,116 (2015 - profit £70,003).

The company has not paid a dividend in the period as with prior years.

Directors

The directors who served during the year were:

M T Coller
R S Coller
N L Coller
T M Coller

Future developments

The directors do not anticipate any significant change to the business in the coming year.

PERTWEE & BACK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

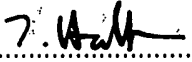
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Larking Gowen, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
S P Hatton
Secretary

Date: 2 March 2017

PERTWEE & BACK LIMITED

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

We have audited the financial statements of Pertwee & Back Limited for the year ended 31 October 2016, set out on pages 6 to 32. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 2, 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 Financial Reporting Council'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 2016 and of its profit or loss 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 those financial statements.

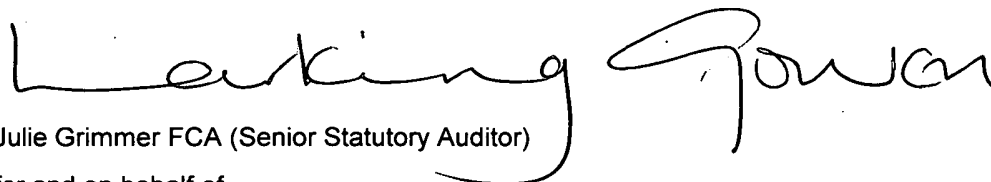
PERTWEE & BACK LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PERTWEE & BACK LIMITED
(CONTINUED)**

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

King Street House
15 Upper King Street
Norwich
NR3 1RB

13 March 2017

PERTWEE & BACK LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2016

	Note	2016 £	2015 £
Turnover	4	38,561,903	44,232,921
Cost of sales		(37,918,089)	(43,466,376)
Gross profit		643,814	766,545
Administrative expenses		(715,178)	(726,043)
Other operating income	5	50,812	35,759
Operating (loss)/profit	6	(20,552)	76,261
Interest receivable and similar income	9	8,170	9,677
Other finance costs		(5,000)	(5,000)
(Loss)/profit before tax		(17,382)	80,938
Tax on (loss)/profit on ordinary activities	11	1,266	(10,935)
(Loss)/profit for the year		(16,116)	70,003

The notes on pages 13 to 32 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 £	2015 £
(Loss)/profit for the financial year		(16,116)	70,003
Other comprehensive income			
Actuarial gain on defined benefit schemes		(835,000)	(9,000)
Movement on deferred tax relating to change in tax rate		1,200	-
Movement on deferred tax relating to pension gains		150,300	1,800
Other comprehensive income for the year		(683,500)	(7,200)
Total comprehensive income for the year		(699,616)	62,803

PERTWEE & BACK LIMITED
REGISTERED NUMBER: 00237370

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	607,426	652,967
Investments	13	12,000	12,000
Investment property	14	200,000	200,000
		<u>819,426</u>	<u>864,967</u>
Current assets			
Stocks	15	6,546,499	7,391,697
Debtors: amounts falling due after more than one year	16	171,000	22,000
Debtors: amounts falling due within one year	16	706,505	512,223
Cash at bank and in hand	17	2,203,707	2,202,190
		<u>9,627,711</u>	<u>10,128,110</u>
Creditors: amounts falling due within one year	18	(7,808,636)	(8,494,960)
Net current assets		<u>1,819,075</u>	<u>1,633,150</u>
Total assets less current liabilities		<u>2,638,501</u>	<u>2,498,117</u>
Pension liability	23	(950,000)	(110,000)
Net assets		<u><u>1,688,501</u></u>	<u><u>2,388,117</u></u>
Capital and reserves			
Called up share capital	21	2,012	2,012
Capital redemption reserve	22	3,088	3,088
Profit and loss account	22	1,683,401	2,383,017
		<u><u>1,688,501</u></u>	<u><u>2,388,117</u></u>

PERTWEE & BACK LIMITED
REGISTERED NUMBER: 00237370

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2016

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



R S Coller
Director



N L Coller
Director

Date: 2 March 2017

The notes on pages 13 to 32 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2015	2,012	3,088	2,383,017	2,388,117
Comprehensive income for the year				
Loss for the year	-	-	(16,116)	(16,116)
Actuarial losses on pension scheme	-	-	(683,500)	(683,500)
Other comprehensive income for the year	-	-	(683,500)	(683,500)
Total comprehensive income for the year	-	-	(699,616)	(699,616)
Total transactions with owners	-	-	-	-
At 31 October 2016	2,012	3,088	1,683,401	1,688,501

PERTWEE & BACK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2014	2,012	3,088	2,320,214	2,325,314
Comprehensive income for the year				
Profit for the year	-	-	70,003	70,003
Actuarial losses on pension scheme	-	-	(7,200)	(7,200)
Other comprehensive income for the year	-	-	(7,200)	(7,200)
Total comprehensive income for the year	-	-	62,803	62,803
Total transactions with owners	-	-	-	-
At 31 October 2015	2,012	3,088	2,383,017	2,388,117

The notes on pages 13 to 32 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(16,116)	70,003
Adjustments for:		
Depreciation of tangible assets	29,707	33,903
Loss on disposal of tangible assets	6,307	498
Interest received	(8,171)	(9,677)
Taxation	(1,266)	10,935
Decrease/(increase) in stocks	845,198	(2,546,497)
(Increase)/decrease in debtors	(194,282)	697,932
(Decrease)/increase in creditors	(686,023)	889,790
Corporation tax	(4,935)	(2,720)
Net interest on defined benefit liability	5,000	5,000
Deferred tax on pension deficit movement correction	8,400	-
Employer pension contributions	-	(35,000)
Net cash generated from operating activities	(16,181)	(885,833)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,323)	(8,515)
Sale of tangible fixed assets	11,850	-
Interest received	8,171	9,677
Net cash from investing activities	17,698	1,162
Net increase/(decrease) in cash and cash equivalents	1,517	(884,671)
Cash and cash equivalents at beginning of year	2,202,190	3,086,861
Cash and cash equivalents at the end of year	2,203,707	2,202,190
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,203,707	2,202,190
	2,203,707	2,202,190

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. General information

Pertwee & Back Limited is a company registered in England and Wales, registration number 00237370. The registered office is Gapton Hall Road, Great Yarmouth, Norfolk, NR31 0NJ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The financial statements are presented in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income

2.5 Valuation of investments

The Company's investments are in the form of collectors cars. These are reflected in the financial statements at the estimated fair value by the directors.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)

2.6 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.10 Creditors

Short term 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.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.OCTOBER 2016**

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.12 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Stock is provided for on the basis of the age of the items and is dependent on the frequency of component use.

Provisions have been recognised for the impairment of inventories which is based on historical experience.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Pertwee & Back Limited has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Net rents receivable	15,000	15,000
Commissions receivable	35,812	20,759
	<u>50,812</u>	<u>35,759</u>

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

6. Operating (loss)/profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	29,707	33,903
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,500	8,500
Defined contribution pension cost	71,010	43,207
	<u>109,217</u>	<u>85,610</u>

7. Employees

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

	2016 £	2015 £
Wages and salaries	1,171,812	1,179,619
Social security costs	90,743	92,806
Cost of defined contribution scheme	115,010	95,207
	<u>1,377,565</u>	<u>1,367,632</u>

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

	2016 No.	2015 No.
Employees	57	63

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	136,813	117,469
Company contributions to defined contribution pension schemes	4,739	4,142
	<u>141,552</u>	<u>121,611</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

9. Interest receivable

	2016 £	2015 £
Other interest receivable	8,170	9,677
	<u>8,170</u>	<u>9,677</u>

10. Other finance costs

	2016 £	2015 £
Interest income on pension scheme assets	129,000	143,000
Net interest on net defined benefit liability	(134,000)	(148,000)
	<u>(5,000)</u>	<u>(5,000)</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	4,935
Adjustments in respect of previous periods	4,634	-
	<u>4,634</u>	<u>4,935</u>
Total current tax	<u>4,634</u>	<u>4,935</u>
Deferred tax		
Movement on pension liability	2,500	6,000
Movement on pension liability in respect of prior year	(8,400)	-
	<u>(5,900)</u>	<u>6,000</u>
Total deferred tax	<u>(5,900)</u>	<u>6,000</u>
Taxation on (loss)/profit on ordinary activities	<u>(1,266)</u>	<u>10,935</u>

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(17,382)	80,938
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(3,476)	16,188
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	5,873
Capital allowances for year in excess of depreciation	-	6,262
Utilisation of tax losses	(6,472)	-
Short term timing difference leading to an increase (decrease) in taxation	(5,900)	-
Other timing differences leading to an increase (decrease) in taxation	14,582	1,812
Non-taxable income	-	(19,200)
Total tax charge for the year	(1,266)	10,935

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Solar panels £	Total £
Cost or valuation						
At 1 November 2015	885,211	309,785	99,143	120,293	49,244	1,463,676
Additions	-	2,323	-	-	-	2,323
Disposals	-	(145,383)	(74,891)	(16,087)	-	(236,361)
At 31 October 2016	885,211	166,725	24,252	104,206	49,244	1,229,638
Depreciation						
At 1 November 2015	328,444	286,543	88,413	99,429	7,880	810,709
Charge for the period on owned assets	14,642	6,514	607	5,974	1,970	29,707
Disposals	-	(137,137)	(66,592)	(14,475)	-	(218,204)
At 31 October 2016	343,086	155,920	22,428	90,928	9,850	622,212
Net book value						
At 31 October 2016	542,125	10,805	1,824	13,278	39,394	607,426
At 31 October 2015	556,767	23,242	10,730	20,864	41,364	652,967

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

13. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 November 2015	12,000
At 31 October 2016	<u>12,000</u>
Net book value	
At 31 October 2016	<u>12,000</u>
At 31 October 2015	<u>12,000</u>

Fixed asset investments consist of collectors cars which are held by the company for their investment value and are used for promotional work. The fair value of the investments given by the directors is £12,000 (2015: £12,000).

14. Investment property

	Freehold investment property £
Valuation	
At 1 November 2015	200,000
At 31 October 2016	<u>200,000</u>
Comprising	
Cost	152,245
Annual revaluation surplus/(deficit): 2013	<u>47,755</u>
At 31 October 2016	<u>200,000</u>

The 2016 valuations were made by the directors, on a fair value basis.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

15. Stocks

	2016 £	2015 £
Raw materials and consumables	37,399	20,176
Work in progress (goods to be sold)	34,263	73,233
Finished goods and goods for resale	6,474,837	7,298,288
	<u>6,546,499</u>	<u>7,391,697</u>

Stock recognised in cost of sales during the year as an expense was £36,695,069 (2015 - £42,231,771).

Included with this figure is an impairment loss of £10,228 (2015: credit £10,875) which was recognised against stock during the year due to slow-moving and obsolete stock.

At the year end, the value of consignment stock which is included within finished good and goods for resale is £1,490,726 (2015: £1,907,761). The value of consignment stock which did not meet the recognition criteria was £Nil (2015: £Nil).

16. Debtors

	2016 £	2015 £
Due after more than one year		
Deferred tax asset	171,000	22,000
	<u>171,000</u>	<u>22,000</u>
	2016 £	2015 £
Due within one year		
Trade debtors	637,795	407,108
Other debtors	33,066	52,006
Prepayments and accrued income	35,644	53,109
	<u>706,505</u>	<u>512,223</u>

An impairment loss of £1,321 (2015: £910) was recognised against trade debtors in the year.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

17. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,203,707	2,202,190
	<u>2,203,707</u>	<u>2,202,190</u>

18. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,721,859	7,920,535
Corporation tax	10,461	10,762
Taxation and social security	29,628	496,958
Other creditors	364	31,610
Accruals and deferred income	46,324	35,095
	<u>7,808,636</u>	<u>8,494,960</u>

19. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	12,000	12,000
Financial assets that are debt instruments measured at amortised cost	2,874,568	2,661,304
	<u>2,886,568</u>	<u>2,673,304</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(7,768,547)	(7,987,240)
	<u>(7,768,547)</u>	<u>(7,987,240)</u>

Financial assets measured at fair value through profit or loss comprise collectors cars.

Financial assets measured at amortised cost comprise cash at bank and debtors due with one year.

Financial liabilities measured at amortised cost comprise creditors due within one year and after one year.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

20. Deferred taxation

	2016 £
At 1 November 2015	22,000
Charged to the profit or loss	(2,500)
Charged to other comprehensive income	151,500
At 31 October 2016	171,000

The deferred tax asset is made up as follows:

	2016 £
Pension surplus	171,000
	171,000

21. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2,012 Ordinary shares of £1 each	2,012	2,012

22. Reserves

Capital redemption reserve

The capital redemption reserve has arisen as a result of historic share transactions.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Within the profit and loss account there are £47,755 (2015: £47,755) of non distributable reserves under section 830 of the Companies Act 2006.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

23. Pension commitments

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 represents contributions payable by the company to the fund and amounted to £112,812 (2015: £51,607).

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 Section 28 report of the scheme was prepared as at 31 October 2016 CPRM Limited, for the purposes of accounts disclosure. This valuation showed scheme assets of £3,144,000, liabilities of £4,094,000 leaving a liability of £950,000, which after allowing for tax relief would reduce to £779,000.

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

Reconciliation of present value of plan liabilities:

	2016 £	2015 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	3,599,000	3,897,000
Expenses	44,000	52,000
Interest cost	134,000	148,000
Actuarial gains/losses	885,000	152,000
Benefits paid	(568,000)	(650,000)
At the end of the year	4,094,000	3,599,000

Reconciliation of fair value of plan assets:

	2016 £	2015 £
At the beginning of the year	3,489,000	3,766,000
Interest income	129,000	143,000
Actuarial gains/losses	50,000	143,000
Contributions	44,000	87,000
Benefits paid	(568,000)	(650,000)
At the end of the year	3,144,000	3,489,000

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

23. Pension commitments (continued)

Composition of plan assets:

	2016 £	2015 £
Corporate bonds	914,000	1,014,000
Government bonds	391,000	435,000
Diversified growth	1,807,000	1,971,000
Cash	32,000	69,000
Total plan assets	3,144,000	3,489,000
	2016 £	2015 £
Fair value of plan assets	3,144,000	3,489,000
Present value of plan liabilities	(4,094,000)	(3,599,000)
Net pension scheme liability	(950,000)	(110,000)

The amounts recognised in profit or loss are as follows:

	2016 £	2015 £
Interest on obligation	(134,000)	(148,000)
Interest income on plan assets	129,000	143,000
Expenses	(44,000)	(52,000)
Total	(49,000)	(57,000)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £NIL (2015 - £(60,000)).

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2017.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2016 %	2015 %
Discount rate	2.8	4
Future pension increases	3.25	3.2

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

23. Pension commitments (continued)

Inflation assumption	2.34	2.4
Mortality rates		
- for a male aged 65 now	21.9	22.3
- at 65 for a male aged 45 now	23.2	24.6
- for a female aged 65 now	23.9	23.6
- at 65 for a female member aged 45 now	25.4	26.1
	<u><u>25.4</u></u>	<u><u>26.1</u></u>

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

Defined benefit pension schemes

	2016 £	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(4,094,000)	(3,599,000)	(3,897,000)	(4,203,000)	(4,333,000)
Scheme assets	3,144,000	3,489,000	3,766,000	4,062,000	4,166,000
Related deferred tax asset	171,000	22,000	26,200	28,200	33,400
Surplus	<u><u>(779,000)</u></u>	<u><u>(88,000)</u></u>	<u><u>(104,800)</u></u>	<u><u>(112,800)</u></u>	<u><u>(133,600)</u></u>
Experience adjustments on scheme liabilities	-	(33,000)	(240,000)	(266,000)	(282,000)
Experience adjustments on scheme assets	-	77,000	8,000	197,000	116,000
	<u><u>-</u></u>	<u><u>77,000</u></u>	<u><u>8,000</u></u>	<u><u>197,000</u></u>	<u><u>116,000</u></u>

24. Related party transactions

Total key management personnel compensation, including directors, for the year was £141,552 (2015: £121,611).

25. Controlling party

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

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

26. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014. The impact of the transition to FRS 102 is as follows:

		As previously stated 1 November 2014 £	Effect of transition 1 November 2014 £	FRS 102 (as restated) 1 November 2014 £	As previously stated 31 October 2015 £	Effect of transition 31 October 2015 £	FRS 102 (as restated) 31 October 2015 £
	Note						
Fixed assets		882,403	8,450	890,853	856,517	8,450	864,967
Current assets	5	9,142,216	26,200	9,168,416	10,106,110	22,000	10,128,110
Creditors: amounts falling due within one year		(7,602,955)	-	(7,602,955)	(8,494,960)	-	(8,494,960)
Net current assets		1,539,261	26,200	1,565,461	1,611,150	22,000	1,633,150
Total assets less current liabilities		2,421,664	34,650	2,456,314	2,467,667	30,450	2,498,117
Provisions for liabilities	5	(104,800)	(26,200)	(131,000)	(88,000)	(22,000)	(110,000)
Net assets		2,316,864	8,450	2,325,314	2,379,667	8,450	2,388,117
Capital and reserves		2,316,864	8,450	2,325,314	2,379,667	8,450	2,388,117

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

26. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 October 2015 £	Effect of transition 31 October 2015 £	FRS 102 (as restated) 31 October 2015 £
Turnover		44,232,921	-	44,232,921
Cost of sales	3	(43,422,776)	(43,600)	(43,466,376)
		<u>810,145</u>	<u>(43,600)</u>	<u>766,545</u>
Administrative expenses		(726,043)	-	(726,043)
Other operating income		35,759	-	35,759
		<u>119,861</u>	<u>(43,600)</u>	<u>76,261</u>
Operating profit		119,861	(43,600)	76,261
Interest receivable and similar income		9,677	-	9,677
Other finance income	3	9,000	(14,000)	(5,000)
Taxation	4	(4,935)	(6,000)	(10,935)
		<u>133,603</u>	<u>(63,600)</u>	<u>70,003</u>
Profit on ordinary activities after taxation and for the financial year		133,603	(63,600)	70,003

Explanation of changes to previously reported profit and equity:

- 1 The collectors car investments have been brought up to fair value, through an adjustment within the profit and loss, an increase of £8,450.
- 2 The revaluation reserves have been brought in the profit and loss account to the value of £47,755, however this has not created further distributable reserves.

3 Defined Benefit Pension

There is a presentation change under FRS 102 whereby net interest on the net defined benefit pension liability is presented in the Income Statement using the liability discount rate (2015: £5,000). Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. There is also a presentation change to include the expenses on the benefit obligation within the Income Statement (2015: Net £43,600). These have no impact on shareholders equity on transition but affect the allocation of interest between the Income Statement and Other Comprehensive Income.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

26. First time adoption of FRS 102 (continued)

4 Deferred tax on Defined Benefit Pension

Due to the change in recognition of the finance costs and pension expenses (Note 3) on the defined pension scheme liability in the Income Statement rather than Other Comprehensive Income, the corresponding deferred tax charge in the Income Statement is increased. This had no impact on shareholders equity on transition but affects the allocation of deferred tax between the Income Statement and Other Comprehensive Income.

5 Defined Benefit Pension Liability Disclosure

Under FRS102 the defined benefit pension deficit is disclosed gross, rather than net of the corresponding deferred tax asset. This had no impact on shareholders equity on transition but affects the allocation of the deferred tax between Liabilities and Debtors: amounts falling due after more than one year on the Statement of Financial Position. At 1 October 2014 and 31 October 2015, the deferred tax asset on the pension deficit was £26,200 and £22,000 respectively