

**PERTWEE & BACK LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2014**

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**PERTWEE & BACK LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

M T Coller  
R S Coller  
N L Coller

**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 Plc  
PO box 614, 1st Floor St Cuthberts House  
7 Upper King Street  
Norwich  
NR3 1WX

**SOLICITORS**

Mears Hobbs & Durrant  
92 High Street  
Gorleston  
Norfolk  
NR31 6RH

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**PERTWEE & BACK LIMITED**

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## **PERTWEE & BACK LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2014**

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The directors present their report and the financial statements for the year ended 31 October 2014.

#### **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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £165,085 (2013 - £94,235).

No dividends were paid in the year.

#### **DIRECTORS**

The directors who served during the year were:

M T Collier  
R S Collier  
N L Collier

#### **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.

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**PERTWEE & BACK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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



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**S Hatton**  
Secretary

Date: 26/2/15

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## **PERTWEE & BACK LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2014**

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#### **BUSINESS REVIEW**

The directors are satisfied with the performance of the company during the last 12 months. The Directors have taken steps to improve profitability in the year and have succeeded in generating an increased profit after tax for the year ended 31 October 2014.

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 1.2% in 2014 compared to 1.7% in 2013.

Profit after tax for the year has increased from £94,235 in 2013 to £165,085.

#### **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 26 FEBRUARY 2015 and signed on its behalf.

  
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S Hatton  
Secretary

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## PERTWEE & BACK LIMITED

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

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We have audited the financial statements of Pertwee & Back Limited for the year ended 31 October 2014, set out on pages 5 to 21. 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](http://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 2014 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.

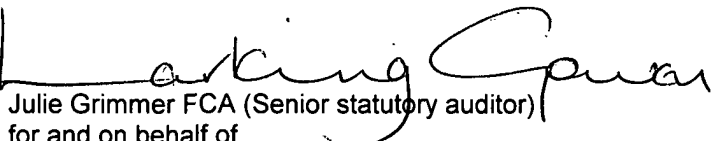
#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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: 9 March 2015

**PERTWEE & BACK LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>		<b>60,453,444</b>	<b>47,749,135</b>
Cost of sales		<b>(59,735,589)</b>	<b>(46,939,797)</b>
<b>GROSS PROFIT</b>		<b>717,855</b>	<b>809,338</b>
Administrative expenses		<b>(761,097)</b>	<b>(768,240)</b>
Other operating income	3	<b>65,419</b>	<b>56,274</b>
<b>OPERATING PROFIT</b>	4	<b>22,177</b>	<b>97,372</b>
<b>EXCEPTIONAL ITEMS</b>	7		
Net profit on sale of tangible fixed assets	7	<b>136,695</b>	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>158,872</b>	<b>97,372</b>
Interest receivable and similar income		<b>8,933</b>	<b>4,154</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>167,805</b>	<b>101,526</b>
Tax on profit on ordinary activities	8	<b>(2,720)</b>	<b>(7,291)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<b>165,085</b>	<b>94,235</b>

All amounts relate to continuing operations.

The notes on pages 9 to 21 form part of these financial statements.

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**PERTWEE & BACK LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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	Note	2014 £	2013 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>165,085</b>	<b>94,235</b>
Actuarial gain related to pension scheme		<b>10,000</b>	<b>26,000</b>
Deferred tax attributable to pension scheme		<b>(2,000)</b>	<b>(5,200)</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>173,085</b>	<b>115,035</b>

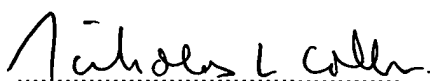
The notes on pages 9 to 21 form part of these financial statements.


**PERTWEE & BACK LIMITED**  
00237370

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	9		678,853		801,356
Investment property	10		200,000		250,000
Investments	11		3,550		3,550
			<u>882,403</u>		<u>1,054,906</u>
<b>CURRENT ASSETS</b>					
Stocks	12	4,845,200		8,978,052	
Debtors	13	1,210,155		1,484,596	
Cash at bank and in hand		3,086,861		2,288,279	
		<u>9,142,216</u>		<u>12,750,927</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(7,602,955)		(11,549,254)	
<b>NET CURRENT ASSETS</b>			<u>1,539,261</u>		<u>1,201,673</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,421,664</u>		<u>2,256,579</u>
Defined benefit pension scheme liability	22		(104,800)		(112,800)
<b>NET ASSETS</b>			<u>2,316,864</u>		<u>2,143,779</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		2,012		2,012
Revaluation reserve	17		47,755		85,705
Capital redemption reserve	17		3,088		3,088
Profit and loss account	17		2,264,009		2,052,974
<b>SHAREHOLDERS' FUNDS</b>	18		<u>2,316,864</u>		<u>2,143,779</u>

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

  
N L Coller  
Director

  
R S Coller  
Director

Date: 26/2/15

The notes on pages 9 to 21 form part of these financial statements.

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**PERTWEE & BACK LIMITED**

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Net cash flow from operating activities	19	<b>516,548</b>	1,652,179
Returns on investments and servicing of finance	20	<b>8,933</b>	4,154
Taxation		<b>(1,464)</b>	-
Capital expenditure and financial investment	20	<b>274,565</b>	(32,460)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>798,582</b>	<b>1,623,873</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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	<b>2014 £</b>	<b>2013 £</b>
Increase in cash in the year	<b>798,582</b>	1,623,873
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>798,582</b>	1,623,873
Net funds at 1 November 2013	<b>2,288,279</b>	664,406
<b>NET FUNDS AT 31 OCTOBER 2014</b>	<b>3,086,861</b>	<b>2,288,279</b>

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The notes on pages 9 to 21 form part of these financial statements.

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## PERTWEE & BACK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

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#### 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 freehold property 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 or valuation 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 or valuation 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

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

##### 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014

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**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 2014**

**2. TURNOVER**

All turnover arose within the United Kingdom.

**3. OTHER OPERATING INCOME**

	2014 £	2013 £
Net rents receivable	34,100	32,300
Commissions receivable	31,319	23,974
	<u>65,419</u>	<u>56,274</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the company	34,633	49,535
Auditors' remuneration	8,500	7,175
	<u>43,133</u>	<u>56,710</u>

**5. STAFF COSTS**

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

	2014 £	As restated 2013 £
Wages and salaries	1,202,963	1,243,970
Social security costs	99,573	102,154
Other pension costs - Note 22	198,225	169,122
	<u>1,500,761</u>	<u>1,515,246</u>

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

2014 No.	2013 No.
<u>67</u>	<u>67</u>

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**PERTWEE & BACK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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**6. DIRECTORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	<b>103,577</b>	<b>110,045</b>
Company pension contributions to defined contribution pension schemes	<b>13,604</b>	<b>5,108</b>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

**7. EXCEPTIONAL ITEMS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on disposal of fixed assets	<b>136,695</b>	<b>-</b>

There are no chargeable gains for taxation on the exceptional items.

**8. TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	<b>8,547</b>	<b>7,291</b>
Adjustments in respect of prior periods	<b>(5,827)</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>2,720</b>	<b>7,291</b>

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PERTWEE & BACK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014

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8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>167,805</u>	<u>101,526</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	33,561	20,305
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(20,731)	-
Capital allowances for year in excess of depreciation	2,256	-
Utilisation of tax losses	(5,057)	23,095
Adjustments to tax charge in respect of prior periods	(5,827)	-
Short term timing difference leading to an increase (decrease) in taxation	2,215	-
Other differences leading to an increase / (decrease) in the tax charge	(3,697)	(36,109)
<b>Current tax charge for the year</b> (see note above)	<u>2,720</u>	<u>7,291</u>

**PERTWEE & BACK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014**

**9. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Solar panels £	Total £
<b>Cost or valuation</b>						
At 1 November 2013	1,046,420	360,748	104,643	120,293	49,244	1,681,348
Additions	-	6,247	-	-	-	6,247
Disposals	(161,209)	(9,335)	(5,500)	-	-	(176,044)
At 31 October 2014	885,211	357,660	99,143	120,293	49,244	1,511,551
<b>Depreciation</b>						
At 1 November 2013	366,884	332,524	85,563	91,081	3,940	879,992
Charge for the year	14,642	9,079	4,768	4,174	1,970	34,633
On disposals	(67,724)	(8,710)	(5,493)	-	-	(81,927)
At 31 October 2014	313,802	332,893	84,838	95,255	5,910	832,698
<b>Net book value</b>						
At 31 October 2014	571,409	24,767	14,305	25,038	43,334	678,853
At 31 October 2013	679,536	28,224	19,080	29,212	45,304	801,356

Freehold land and buildings includes land of £153,125 (2013 £153,125) which is not depreciated.

The freehold land and buildings were revalued in 1979 on an open market basis by a firm of independent Chartered Surveyors. In accordance with the transitional provisions of FRS 15 the valuation has not been updated. The land and buildings to which this valuation related were disposed of in the year and the remaining revaluation reserve on these properties was transferred to the profit and loss account.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2014 £	2013 £
Cost	885,211	1,005,412
Accumulated depreciation	(313,802)	(347,628)
Net book value	571,409	657,784

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PERTWEE & BACK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014

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10. INVESTMENT PROPERTY

	Freehold investment property £
<b>Valuation</b>	
At 1 November 2013	250,000
Disposals	(50,000)
	<hr/>
At 31 October 2014	200,000
	<hr/>
<b>Comprising</b>	
Cost	152,245
Revaluation surplus:	
	47,755
	<hr/>
At 31 October 2014	200,000
	<hr/>

The 2014 valuations were made by the directors, on an open market value for existing use basis.

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>Cost</b>	
At 1 November 2013 and 31 October 2014	3,550
	<hr/>
<b>Net book value</b>	
At 31 October 2014	3,550
	<hr/>
At 31 October 2013	3,550
	<hr/>

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 (2013: £12,000).

**PERTWEE & BACK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014**

**12. STOCKS**

	2014 £	2013 £
Raw materials	30,855	26,743
Work in progress	68,419	108,415
Finished goods and goods for resale	4,745,926	8,842,894
	<u>4,845,200</u>	<u>8,978,052</u>

At the year end, the value of consignment stock which is included within finished goods and goods for resale is £276,098 (2013: £1,789,614). The value of consignment stock which did not meet the recognition criteria as set out in note 1.7 was £Nil (2013: £Nil).

**13. DEBTORS**

	2014 £	2013 £
Trade debtors	1,064,121	546,799
Other debtors	92,704	890,913
Prepayments and accrued income	53,330	46,884
	<u>1,210,155</u>	<u>1,484,596</u>

**14. CREDITORS:  
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	5,811,882	11,467,774
Corporation tax	8,547	7,291
Other taxation and social security	1,728,510	27,436
Other creditors	313	3,144
Accruals and deferred income	53,703	43,609
	<u>7,602,955</u>	<u>11,549,254</u>

**15. DEFERRED TAXATION**

	2014 £	2013 £
At beginning and end of year	<u>-</u>	<u>-</u>

**PERTWEE & BACK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014**

**15. DEFERRED TAXATION (continued)**

As at 31 October 2014 a deferred tax asset amounting to £72,900 has not been provided as it is unlikely to be recovered in the foreseeable future. This amount consists of £77,142 in respect of tax losses and £3,159 in respect of short term provisions, offset by a liability of £7,401 in respect of capital allowances in excess of depreciation.

The deferred tax asset recognised in respect of the pension scheme of £26,200 (2013: £28,200) has been deducted in arriving at the net pension liability of £104,800 on the balance sheet (2013: £112,800), see Note 22.

**16. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
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 2013	3,088	85,705	2,052,974
Profit for the year			165,085
Pension reserve movement			8,000
Realisation of profit on property disposal		(37,950)	37,950
At 31 October 2014	<u>3,088</u>	<u>47,755</u>	<u>2,264,009</u>

The closing balance on the profit and loss account includes a £104,800 (2013 - £112,800) debit, stated after deferred taxation of £26,200 (2013 - £28,200), in respect of pension scheme liabilities of the company pension scheme.

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	2,143,779	2,028,744
Profit for the year	165,085	94,235
Other recognised gains and losses during the year	8,000	20,800
Closing shareholders' funds	<u>2,316,864</u>	<u>2,143,779</u>

**PERTWEE & BACK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	22,177	97,372
Depreciation of tangible fixed assets	34,633	49,535
Profit on disposal of tangible fixed assets	-	(942)
Decrease/(increase) in stocks	4,132,853	(5,170,614)
Decrease/(increase) in debtors	274,439	(694,229)
(Decrease)/increase in creditors	(3,947,554)	7,371,057
<b>Net cash inflow from operating activities</b>	<b>516,548</b>	<b>1,652,179</b>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	8,933	4,154
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(6,247)	(35,085)
Sale of tangible fixed assets	230,812	2,625
Sale of investment properties	50,000	-
<b>Net cash inflow/(outflow) from capital expenditure</b>	<b>274,565</b>	<b>(32,460)</b>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 November 2013 £	Cash flow £	Other non-cash changes £	31 October 2014 £
Cash at bank and in hand	2,288,279	798,582	-	3,086,861
<b>Net funds</b>	<b>2,288,279</b>	<b>798,582</b>	<b>-</b>	<b>3,086,861</b>

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**PERTWEE & BACK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 £140,339 (2013: £118,991).

**(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 2014 by CPRM Limited, for the purposes of accounts disclosure. This valuation showed scheme assets of £3,766,000, liabilities of £3,897,000 leaving a liability of £131,000, which after allowing for tax relief would reduce to £104,800.

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:

	2014 £	2013 £
Present value of funded obligations	(3,897,000)	(4,203,000)
Fair value of scheme assets	3,766,000	4,062,000
	<hr/>	<hr/>
Deficit in scheme	(131,000)	(141,000)
Related deferred tax asset	26,200	28,200
	<hr/>	<hr/>
Net liability	(104,800)	(112,800)
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in profit or loss are as follows:

	2014 £	2013 £
Interest on obligation	(175,000)	(176,000)
Expected return on scheme assets	175,000	176,000
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Total	-	-
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**PERTWEE & BACK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2014**

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**22. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>4,203,000</b>	<b>4,333,000</b>
Interest cost	<b>175,000</b>	<b>176,000</b>
Actuarial (gains)/losses	<b>(18,000)</b>	<b>171,000</b>
Benefits paid	<b>(463,000)</b>	<b>(477,000)</b>
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Closing defined benefit obligation	<b>3,897,000</b>	<b>4,203,000</b>
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Changes in the fair value of scheme assets were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>4,062,000</b>	<b>4,166,000</b>
Expected return on assets	<b>175,000</b>	<b>176,000</b>
Actuarial gains/(losses)	<b>(8,000)</b>	<b>197,000</b>
Benefits paid	<b>(463,000)</b>	<b>(477,000)</b>
	<hr/>	<hr/>
	<b>3,766,000</b>	<b>4,062,000</b>
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £10,000 (2013 - £26,000).

The company expects to contribute £NIL to its defined benefit pension scheme in 2015.

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

	<b>2014</b>	<b>2013</b>
European equities	<b>46.00 %</b>	<b>27.00 %</b>
European bonds	<b>51.00 %</b>	<b>72.00 %</b>
Cash	<b>3.00 %</b>	<b>1.00 %</b>

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

	<b>2014</b>	<b>2013</b>
Discount rate at 31 October	<b>4.10 %</b>	<b>4.40 %</b>
Expected return on scheme assets at 31 October	<b>4.50 %</b>	<b>4.60 %</b>
Inflation assumption	<b>3.30 %</b>	<b>3.10 %</b>

**PERTWEE & BACK LIMITED**

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**22. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<b>2013</b>
Retiring today		
Males	<b>22.2</b>	21.6
Females	<b>24.5</b>	24.2
Retiring in 20 years		
Males	<b>23.6</b>	23.5
Females	<b>26.1</b>	26.0

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 £228,000 (2013: £420,000).

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

Defined benefit pension schemes

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(3,897,000)</b>	(4,203,000)	(4,333,000)	(4,180,000)	(4,185,000)
Scheme assets	<b>3,766,000</b>	4,062,000	4,166,000	4,202,000	4,221,000
(Deficit)/surplus	<b>(131,000)</b>	(141,000)	(167,000)	22,000	36,000
Experience adjustments on scheme liabilities	<b>(240,000)</b>	(266,000)	(282,000)	(73,000)	(455,000)
Experience adjustments on scheme assets	<b>(8,000)</b>	197,000	116,000	(76,000)	108,000

**23. CONTROLLING PARTY**

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