

**PERTWEE & BACK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2018**

TUESDAY



A22 \*A8AA51LK\* 23/07/2019 #148  
COMPANIES HOUSE

---

**PERTWEE & BACK LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	M T Coller R S Coller N L Coller T M Coller
<b>Company secretary</b>	S P Hatton
<b>Registered number</b>	00237370
<b>Registered office</b>	Gapton Hall Road Great Yarmouth Norfolk NR31 0NJ
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
<b>Bankers</b>	Barclays Bank 3 St James Court Whitefriars Norwich Norfolk NR3 1RJ
<b>Solicitors</b>	Mears Hobbs & Durrant 92 High Street Gorleston Norfolk NR31 6RH

---

**PERTWEE & BACK LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 7
<b>Income Statement</b>	8
<b>Statement of Comprehensive Income</b>	9
<b>Statement of Financial Position</b>	10 - 11
<b>Statement of Changes in Equity</b>	12 - 13
<b>Statement of Cash Flows</b>	14
<b>Notes to the Financial Statements</b>	15 - 36

---

## **PERTWEE & BACK LIMITED**

---

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018**

---

The directors present their strategic report for Pertwee & Back Limited for the year ended 31 October 2018.

#### **Introduction**

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

#### **Business review**

##### **Overview**

The directors present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

The company is a motor retailer operating a Ford Dealership in East Anglia, supplying new and used vehicles with aftersales service and parts sales across the region.

2018 has been a challenging year for the company. Nevertheless the directors are satisfied with the performance of the company during the last 12 months. During the year the company completed the process to change the new vehicle sales mix with a greater emphasis on higher margin retail sales rather than lower margin fleet sales. Consequently, although the company has experienced the anticipated fall in turnover the gross profit achieved on individual unit sales has increased for the second year running. It is anticipated this trend will continue in the short to medium term.

Fluctuations and uncertainties in the financial and foreign exchange markets, particularly following the ongoing Brexit negotiations, continue to impact on the key assumptions used by the scheme actuaries in calculating the company's net pension scheme liability. The annual assessment of the pension scheme valuation required for the purposes of the statutory accounts inevitably means that this significant accounting estimate can be influenced by short term market volatility. This is evidenced by the further increase in the pension scheme deficit at October 2018. However, in conjunction with the scheme Trustees, the company continues to actively manage the scheme with an agreed funding programme to reduce the deficit while buying out members when practicable to do so. A reduction in the scheme liability is expected in 2019.

##### **Market position**

The company supplies new and used vehicles, parts and aftersales service facilities through a Ford Dealership. The company is well placed to service the East Anglian coastal belt not readily served by competing dealerships. A long established business with high levels of personal service, the company has built up a loyal customer base which has helped it to maintain its profitability through the uncertain trading conditions of the past few years.

##### **Objectives and strategy**

The directors' objectives are to maintain an ongoing modernisation programme taking advantage of technological developments to operate a state of the art dealership with the highest level of customer service, fully compliant with the requirements of Ford Motor Company. To fund this programme the directors will continue to realign the business turnover looking for new trading opportunities to increase profitability.

##### **Post year end developments**

The 2019 financial year continues to be challenging. Retail sales of new and used vehicles have been satisfactory but impending changes to the parts business have introduced some uncertainty. Movements in the corporate bond yields have helped strengthen the pension scheme position helping to reduce the deficit. The three year business plan and profit projections indicate the company will improve its financial performance. The increasing profits over the life of the plan generate the funds needed to reduce the pension scheme deficit.

---

## PERTWEE & BACK LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

---

#### Principal risks and uncertainties

**Market Risk:** The company continues to face challenging economic conditions. Changes in customer confidence due to Brexit; changes in Government policy concerning diesel vehicles; the dependency on the ongoing operations and success of Ford Motor Company have all contributed to those conditions. The motor industry is sensitive to movements in interest rates which can affect the affordability of motor finance for consumers. However the directors consider the company is well positioned due to the high quality of stocks held, keen pricing strategies and good customer relationships.


**Legislative and regulatory risk:** There are no significant risks associated with changes in the legislative and regulatory regime. There is strong knowledge within the company of current requirements and sufficient support within the company to adapt to any significant changes that may arise in the future. The company operates various franchise agreements with Ford Motor Company and the loss of any of these could have an impact on the business. However, the directors maintain close links with Ford Motor Company and continue to operate at the highest level to mitigate those risks. The company is aware of its legal obligations to the Financial Conduct Authority and under GDPR and has taken the necessary steps to be fully compliant with the requirements.

**Actions of competitors:** The company is the sole registered dealer for Ford in the Great Yarmouth area, giving a local monopoly on new Ford car sales in the locale. There is increased competition within the new car market from other makes in the region and the sales proportion of new car sales in the region is impacted by the brand position and market share of Ford. The company actively responds to pricing and service requirements of customers with support from Ford.

#### Financial key performance indicators

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole as follows. Turnover in 2018 decreased by £14,624,412 from a total of £33,677,302 in 2017. This is a consequence of the directors' decision taken to reduce the less profitable fleet business. As a result of that decision the gross profit margin for the year increased from 2.1% in 2017 to 2.4% in 2018. The company is reporting a loss after tax for the year of £92,729. At the balance sheet date the company remains in a strong position with net assets of £3,870,938.

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



.....  
**S P Hatton**  
Secretary

Date: 20 February 2019

---

## PERTWEE & BACK LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

---

The directors present their report and the financial statements for the year ended 31 October 2018.

#### **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 to 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 £92,729 (2017 - profit £590,200).

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 2018**

---

**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.

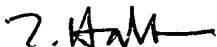
**Post balance sheet events**

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

**Auditors**

The auditors, Larking Gowen LLP, 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: 20 February 2019

---

## **PERTWEE & BACK LIMITED**

---

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

---

#### **Opinion**

We have audited the financial statements of Pertwee & Back Limited (the 'company') for the year ended 31 October 2018, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its 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.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

---

## **PERTWEE & BACK LIMITED**

---

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

---

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

---

**PERTWEE & BACK LIMITED**

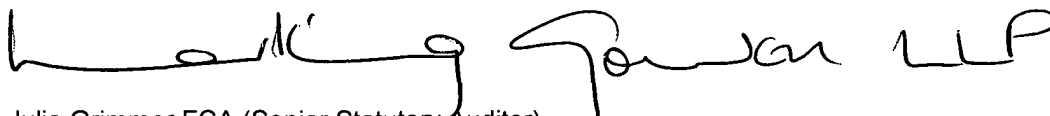
---

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

---

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Julie Grimmer FCA (Senior Statutory Auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

28 February 2019

**PERTWEE & BACK LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Turnover	4	19,052,890	33,677,302
Cost of sales		(18,601,468)	(32,981,615)
<b>Gross profit</b>		<b>451,422</b>	<b>695,687</b>
Administrative expenses		(649,366)	(625,091)
Other operating income	5	98,838	85,607
Fair value movements		-	549,729
<b>Operating (loss)/profit</b>		<b>(99,106)</b>	<b>705,932</b>
Interest receivable and similar income	9	2,996	2,761
Other finance income		(23,000)	(26,000)
<b>(Loss)/profit before tax</b>		<b>(119,110)</b>	<b>682,693</b>
Tax on (loss)/profit	11	26,381	(92,493)
<b>(Loss)/profit for the financial year</b>		<b>(92,729)</b>	<b>590,200</b>

The notes on pages 15 to 36 form part of these financial statements.

---

**PERTWEE & BACK LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
(Loss)/profit for the financial year		<b>(92,729)</b>	590,200
<b>Other comprehensive income</b>			
Unrealised surplus on revaluation of tangible fixed assets		-	1,796,282
Actuarial (loss)/gain on defined benefit schemes		<b>(74,000)</b>	36,000
Movement on deferred tax relating to pension gains/(losses)		<b>12,533</b>	(6,120)
Deferred tax on tangible asset revaluation		<b>2,775</b>	(82,504)
<b>Other comprehensive income for the year</b>		<b>(58,692)</b>	1,743,658
<b>Total comprehensive income for the year</b>		<b>(151,421)</b>	2,333,858

The notes on pages 15 to 36 form part of these financial statements.

**PERTWEE & BACK LIMITED**  
**REGISTERED NUMBER: 00237370**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	2,320,802	2,376,946
Investments	13	12,000	12,000
Investment property	14	782,500	782,500
		<u>3,115,302</u>	<u>3,171,446</u>
<b>Current assets</b>			
Stocks	15	3,185,595	3,840,872
Debtors	16	427,564	399,709
Cash at bank and in hand	17	1,396,483	1,516,509
		<u>5,009,642</u>	<u>5,757,090</u>
Creditors: amounts falling due within one year	18	(3,318,006)	(4,031,823)
<b>Net current assets</b>		<u>1,691,636</u>	<u>1,725,267</u>
<b>Total assets less current liabilities</b>		<u>4,806,938</u>	<u>4,896,713</u>
<b>Provisions for liabilities</b>			
Deferred tax	20	-	(11,354)
		<u>-</u>	<u>(11,354)</u>
Pension liability	23	(936,000)	(863,000)
<b>Net assets</b>		<u><u>3,870,938</u></u>	<u><u>4,022,359</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	2,012	2,012
Revaluation reserve	22	1,680,627	1,713,778
Capital redemption reserve	22	3,088	3,088
Profit and loss account	22	2,185,211	2,303,481
		<u><u>3,870,938</u></u>	<u><u>4,022,359</u></u>

---

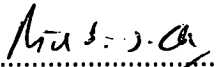
**PERTWEE & BACK LIMITED**  
**REGISTERED NUMBER: 00237370**


---

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 OCTOBER 2018**

---

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: 20 February 2019

The notes on pages 15 to 36 form part of these financial statements.

**PERTWEE & BACK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2017	2,012	3,088	1,713,778	2,303,481	4,022,359
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(92,729)	(92,729)
Actuarial losses on pension scheme and deferred tax	-	-	-	(61,467)	(61,467)
Transfer of depreciation from revaluation reserve	-	-	-	35,926	35,926
Deferred tax charge on revaluation of freehold property	-	-	2,775	-	2,775
<b>Other comprehensive income for the year</b>	-	-	2,775	(25,541)	(22,766)
<b>Total comprehensive income for the year</b>	-	-	2,775	(118,270)	(115,495)
Transfer of depreciation to profit and loss account	-	-	(35,926)	-	(35,926)
<b>Total transactions with owners</b>	-	-	(35,926)	-	(35,926)
<b>At 31 October 2018</b>	<b>2,012</b>	<b>3,088</b>	<b>1,680,627</b>	<b>2,185,211</b>	<b>3,870,938</b>

The notes on pages 15 to 36 form part of these financial statements.

**PERTWEE & BACK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2017**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 November 2016	2,012	3,088	-	1,683,401	1,688,501
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	590,200	590,200
Actuarial gains on pension scheme and deferred tax	-	-	-	29,880	29,880
Surplus on revaluation of freehold property	-	-	1,796,282	-	1,796,282
Deferred tax on revaluation of freehold property	-	-	(82,504)	-	(82,504)
<b>Total comprehensive income for the year</b>	-	-	1,713,778	620,080	2,333,858
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 October 2017</b>	<b>2,012</b>	<b>3,088</b>	<b>1,713,778</b>	<b>2,303,481</b>	<b>4,022,359</b>

The notes on pages 15 to 36 form part of these financial statements.

**PERTWEE & BACK LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(92,729)	590,200
<b>Adjustments for:</b>		
Depreciation of tangible assets	61,745	35,115
Loss on disposal of tangible assets	-	(447)
Interest received	(2,996)	(2,761)
Taxation charge	(26,381)	92,493
Decrease in stocks	655,277	2,705,627
Decrease in debtors	2,480	306,796
(Decrease) in creditors	(704,593)	(3,775,576)
Net pension contributions paid and charges in P&L	(24,000)	(77,000)
Net fair value losses/(gains) recognised in P&L	-	(549,729)
Corporation tax (paid)/received	(9,224)	-
Net interest on defined benefit liability	23,000	26,000
<b>Net cash generated from operating activities</b>	<b>(117,421)</b>	<b>(649,282)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,601)	(43,552)
Sale of tangible fixed assets	-	2,875
Interest received	2,996	2,761
<b>Net cash from investing activities</b>	<b>(2,605)</b>	<b>(37,916)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(120,026)</b>	<b>(687,198)</b>
Cash and cash equivalents at beginning of year	1,516,509	2,203,707
<b>Cash and cash equivalents at the end of year</b>	<b>1,396,483</b>	<b>1,516,509</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,396,483	1,516,509
	<b>1,396,483</b>	<b>1,516,509</b>

The notes on pages 15 to 36 form part of these financial statements.

---

## PERTWEE & BACK LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

---

#### 1. General information

Pertwee & Back Limited is a company, limited by shares, 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.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

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 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Sale of goods - Motor vehicles sales**

Turnover 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 turnover 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 - Services, repairs and parts**

Turnover 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 turnover 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.

**Rental income and commission received** are accounted for on a receivable basis.

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**2. Accounting policies (continued)**

**2.3 Operating leases: the company as lessor**

Rentals income from operating leases is credited to the Income Statement on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 November 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.4 Interest income**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

2. Accounting policies (continued)

2.5 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'.

---

## PERTWEE & BACK LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

---

#### 2. Accounting policies (continued)

##### 2.6 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.

##### 2.7 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, as detailed below.

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 Statement of Comprehensive Income.

---

## PERTWEE & BACK LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

---

#### 2. Accounting policies (continued)

##### 2.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 2.9 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 Income Statement.

##### 2.10 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.

##### 2.11 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 Statement of Financial Position 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 Statement of Financial Position.

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.

##### 2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

**2. Accounting policies (continued)**

**2.13 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.

**2.14 Creditors**

Short term creditors are measured at the transaction price.

**2.15 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.

**2.16 Financial instruments**

The company only enters into basic financial instrument 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**3. Judgements 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.

Investment properties are carried at fair value which is estimated by the directors based on their experience of the local property market, recent property sales and rental yields. This is supplemented by regular external valuations by professional advisors.

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**

	2018 £	2017 £
Rents receivable	50,004	50,004
Commissions receivable	48,834	35,603
	<u>98,838</u>	<u>85,607</u>

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**6. Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<b>8,750</b>	<b>8,500</b>

**7. Employees**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>832,756</b>	<b>840,678</b>
Social security costs	<b>84,506</b>	<b>80,555</b>
Cost of defined contribution scheme	<b>39,980</b>	<b>17,948</b>
	<b>957,242</b>	<b>939,181</b>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Employees	<b>37</b>	<b>37</b>

**8. Directors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>145,602</b>	<b>139,304</b>
Company contributions to defined contribution pension schemes	<b>5,358</b>	<b>4,890</b>
	<b>150,960</b>	<b>144,194</b>

During the year retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**9. Interest receivable**

	<b>2018 £</b>	<b>2017 £</b>
Other interest receivable	<b>2,996</b>	<b>2,761</b>
	<b>2,996</b>	<b>2,761</b>

**10. Other finance costs**

	<b>2018 £</b>	<b>2017 £</b>
Interest income on pension scheme assets	<b>79,000</b>	<b>85,000</b>
Net interest on net defined benefit liability	<b>(102,000)</b>	<b>(111,000)</b>
	<b>(23,000)</b>	<b>(26,000)</b>

---

PERTWEE & BACK LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

11. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	9,224
Adjustments in respect of previous periods	(8,997)	(10,461)
	<u>(8,997)</u>	<u>(1,237)</u>
<b>Total current tax</b>	<u>(8,997)</u>	<u>(1,237)</u>
<b>Deferred tax</b>		
Movement on pension liability	-	8,670
Movement on changes in rates of deferred tax	-	9,500
Movement on revaluation on investment properties	(1,642)	75,560
Movement on fixed assets	8,958	-
Deferred tax in respect of prior years	(24,700)	-
<b>Total deferred tax</b>	<u>(17,384)</u>	<u>93,730</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(26,381)</u>	<u>92,493</u>

---

PERTWEE & BACK LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.41%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(119,110)	682,693
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.41%)	(22,631)	132,510
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,864	8,932
Capital allowances for year in excess of depreciation	(10,634)	(40,565)
Adjustments to tax charge in respect of prior periods	-	(10,461)
Capital gains	(3,737)	41,687
Pension contributions	(14,060)	6,989
Income not taxable for tax purposes	(8,259)	(111,235)
Deferred tax not recognised	(3,900)	9,955
Deferred tax in prior years	24,700	-
Deferred tax - changes in rates	(1,082)	(20,879)
Deferred tax charge on revaluation of investment properties	(1,642)	75,560
<b>Total tax charge for the year</b>	<b>(26,381)</b>	<b>92,493</b>

**Factors that may affect future tax charges**

Legislation to reduce the main rate of corporation tax from 20% to 17% by 1 April 2020 was introduced in the Finance Act 2016 and has since become substantively enacted. Deferred tax has been provided for at 17% in these financial statements.

**PERTWEE & BACK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

**12. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Solar panels £	Total £
<b>Cost or valuation</b>						
At 1 November 2017	2,292,375	193,877	16,400	104,206	49,244	2,656,102
Additions	-	5,601	-	-	-	5,601
At 31 October 2018	<u>2,292,375</u>	<u>199,478</u>	<u>16,400</u>	<u>104,206</u>	<u>49,244</u>	<u>2,661,703</u>
<b>Depreciation</b>						
At 1 November 2017	-	167,722	4,704	94,910	11,820	279,156
Charge for the year on owned assets	42,785	10,085	2,924	3,981	1,970	61,745
At 31 October 2018	<u>42,785</u>	<u>177,807</u>	<u>7,628</u>	<u>98,891</u>	<u>13,790</u>	<u>340,901</u>
<b>Net book value</b>						
At 31 October 2018	<u>2,249,590</u>	<u>21,671</u>	<u>8,772</u>	<u>5,315</u>	<u>35,454</u>	<u>2,320,802</u>
At 31 October 2017	<u>2,292,375</u>	<u>26,155</u>	<u>11,696</u>	<u>9,296</u>	<u>37,424</u>	<u>2,376,946</u>

Included within freehold property is land of £153,125 (2017 - £153,125) which is not depreciated.

The freehold property at Lowestoft Road, Gorleston is held on a legal charge dated 22 August 2018 against the liabilities due to the defined benefit pension scheme.

Cost or valuation at 31 October 2018 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>496,093</b>
<b>At valuation:</b>	
Enter date & basis	<u>1,796,282</u>
	<u><b>2,292,375</b></u>

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**12. Tangible fixed assets (continued)**

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

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Cost	<b>496,093</b>	<b>496,093</b>
Accumulated depreciation	<b>(6,859)</b>	<b>-</b>
<b>Net book value</b>	<b>489,234</b>	<b>496,093</b>

**13. Fixed asset investments**

	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
At 1 November 2017	<b>12,000</b>
At 31 October 2018	<b>12,000</b>

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 (2017 - £12,000).

---

PERTWEE & BACK LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

14. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 November 2017	782,500
<b>At 31 October 2018</b>	<b>782,500</b>
<b>Comprising</b>	
Cost	185,016
Annual revaluation surplus/(deficit):	
2013	47,755
2017	549,729
At 31 October 2018	782,500

The 2018 valuations were made by the directors, on an open market value for existing use basis.

15. Stocks

	2018 £	2017 £
Raw materials and consumables	28,670	15,922
Work in progress (goods to be sold)	18,684	9,284
Finished goods and goods for resale	3,138,241	3,815,666
	<b>3,185,595</b>	<b>3,840,872</b>

Stock recognised in cost of sales during the year as an expense was £17,760,985 (2017 - £32,151,129) .

Included with this figure is an impairment credit of £9,695 (2017 - debit £1,253) 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 £650,194 (2017 - £359,378). The value of consignment stock which did not meet the recognition criteria was £Nil (2017 - £Nil).

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**16. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>311,625</b>	<b>348,798</b>
Other debtors	<b>58,814</b>	<b>39,293</b>
Prepayments and accrued income	<b>35,787</b>	<b>11,618</b>
Deferred taxation	<b>21,338</b>	<b>-</b>
	<b>427,564</b>	<b>399,709</b>

An impairment loss of £1,723 (2017: £Nil) was recognised against trade debtors in the year.

**17. Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>1,396,483</b>	<b>1,516,509</b>
	<b>1,396,483</b>	<b>1,516,509</b>

**18. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>3,045,458</b>	<b>3,895,461</b>
Corporation tax	<b>-</b>	<b>9,224</b>
Other taxation and social security	<b>234,094</b>	<b>70,470</b>
Other creditors	<b>11,572</b>	<b>37,736</b>
Accruals and deferred income	<b>26,882</b>	<b>18,932</b>
	<b>3,318,006</b>	<b>4,031,823</b>

---

PERTWEE & BACK LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

19. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	12,000	12,000
Financial assets that are debt instruments measured at amortised cost	361,442	388,091
	<u>373,442</u>	<u>400,091</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,083,912)</u>	<u>(3,952,129)</u>

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

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

---

PERTWEE & BACK LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

---

20. Deferred taxation

	2018 £	2017 £
At beginning of year	(11,354)	171,000
Credited/(charged) to the profit or loss	17,384	(93,730)
Credited/(charged) to other comprehensive income	15,308	(88,624)
<b>At end of year</b>	<b>21,338</b>	<b>(11,354)</b>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Revaluation of investment properties	(74,991)	(82,504)
Revaluation of freehold properties	(79,729)	(75,560)
Pension provision	159,120	146,710
Fixed asset and other timing differences	16,938	-
	<b>21,338</b>	<b>(11,354)</b>

21. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
2,012 (2017 - 2,012) Ordinary shares of £1 each	<b>2,012</b>	<b>2,012</b>

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**22. Reserves**

**Revaluation reserve**

The surplus or deficit arising on the revaluation of the freehold property including the deferred tax thereon is credited or debited to the revaluation reserve.

**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 including movements on the fair values of investment properties and the deferred tax thereon.

Within the profit and loss account there are £522,513 (2017 - £521,944) 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 2018

---

**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 £39,980 (2017 - £17,948).

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 2018, by CPRM Limited, for the purposes of accounts disclosure. This valuation showed scheme assets of £1,950,000, liabilities of £2,886,000 leaving a liability of £936,000, against which a deferred tax asset of £159,120 (2017 - £146,710) has been provided.

The most recent full actuarial valuation of the scheme was prepared as at 5 April 2017 by CPRM Limited.

Reconciliation of present value of plan liabilities:

	2018 £	2017 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	3,922,000	4,094,000
Expenses	48,000	49,000
Interest cost	102,000	111,000
Actuarial gains/losses	(60,000)	9,000
Benefits paid	(1,126,000)	(341,000)
<b>At the end of the year</b>	<b>2,886,000</b>	<b>3,922,000</b>

Reconciliation of present value of plan assets:

	2018 £	2017 £
At the beginning of the year	3,059,000	3,144,000
Interest income	79,000	85,000
Actuarial gains/losses	(134,000)	45,000
Contributions	72,000	126,000
Benefits paid	(1,126,000)	(341,000)
<b>At the end of the year</b>	<b>1,950,000</b>	<b>3,059,000</b>

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018

23. Pension commitments (continued)

Composition of plan assets:

	2018 £	2017 £
Corporate bonds	855,000	894,000
Government bonds	378,000	382,000
Diversified growth	1,559,000	1,691,000
Cash	91,000	92,000
Agreed transfers - paid post year end	(933,000)	-
<b>Total plan assets</b>	<b>1,950,000</b>	<b>3,059,000</b>

	2018 £	2017 £
Fair value of plan assets	1,950,000	3,059,000
Present value of plan liabilities	(2,886,000)	(3,922,000)
<b>Net pension scheme liability</b>	<b>(936,000)</b>	<b>(863,000)</b>

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Current service cost	(48,000)	(49,000)
Interest on obligation	(102,000)	(111,000)
Interest income on plan assets	79,000	85,000
<b>Total</b>	<b>(71,000)</b>	<b>(75,000)</b>

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**23. Pension commitments (continued)**

The company expects to contribute £115,900 to its defined benefit pension scheme in 2019.

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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>2.8</b>	<b>2.7</b>
Future pension increases	<b>3.15</b>	<b>3.1</b>
Inflation assumption	<b>2.2</b>	<b>2.15</b>
Mortality rates		
- for a male aged 65 now	<b>21.8</b>	<b>21.9</b>
- at 65 for a male aged 45 now	<b>22.8</b>	<b>23.0</b>
- for a female aged 65 now	<b>23.7</b>	<b>23.7</b>
- at 65 for a female member aged 45 now	<b>24.9</b>	<b>25.0</b>

---

**PERTWEE & BACK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

---

**24. Related party transactions**

Total key management personnel compensation, including directors, for the year was £159,120 (2017 - £152,902).

**25. Operating leases**

The company holds property which are let to third parties. These non-cancellable leases have remaining terms of up to 10 years. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within 1 year	<b>35,000</b>	<i>35,000</i>
After 1 year but not more than 5 years	<b>140,000</b>	<i>140,000</i>
After 5 years	<b>105,000</b>	<i>140,000</i>
	<b>280,000</b>	<i>315,000</i>

**26. Controlling party**

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