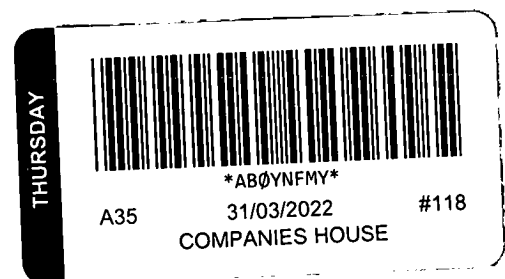


PERTWEE & BACK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021



PERTWEE & BACK LIMITED

COMPANY INFORMATION

Directors	M T Coller R S Coller N L Coller T M Coller
Company secretary	S P Hatton
Registered number	00237370
Registered office	Gapton Hall Road Gapton Hall Industrial Estate Great Yarmouth Norfolk NR31 0NJ
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Barclays Bank 3 St James Court Whitefriars Norwich Norfolk NR3 1RJ
Solicitors	Mears Hobbs & Durrant Somerset House 26 Gordon Road Lowestoft Suffolk NR32 1NL

PERTWEE & BACK LIMITED

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PERTWEE & BACK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their strategic report for Pertwee & Back Limited for the year ended 31 October 2021.

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 franchised Ford Dealership in East Anglia, supplying new and used vehicles with after-sales service across the region.

The directors consider that the Company's key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being: turnover; gross profit; operating profit and profit/(loss) on ordinary activities before taxation as set out in the income statement on page 12.

2021 has been a further challenging year for the Company as it operated through the periods of lock down caused by the Covid-19 pandemic. The international supply chain problems affecting car production has been well documented and the Company, in line with its competitors, has seen a fall in the volume of new car retail business. However, the pandemic has also created opportunities for the Company. Improved fleet sales performance, the buoyant used car market, combined with a greater online presence with remote vehicle selling, has helped the Company achieve a substantial increase in turnover for the year. Continued steady income from the service workshop, the Government Covid-19 support and by reducing costs, where possible, the directors are satisfied with the performance of the Company for the year. The gross profit percentage has been improved and the company is reporting a significant increase in operating profit for the year.

Fluctuations and uncertainties in the financial and foreign exchange markets resulting from the ongoing Covid-19 pandemic and international tensions, continued 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. 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. As a result of these measures the Company is able to report a reduction in the pension scheme deficit as at 31 October 2021.

The Board of Directors collectively, and individually, believe that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year ended 31 October 2021. Decisions are taken by the Board with the intention of having a long-term beneficial impact on the Company and to contribute to its success in delivering a high quality of service to its customers.

The Company ensures a safe, well maintained and supportive working environment for its employees with the aim of providing sustainable employment. All employees are treated fairly, consistently and respectfully. The impact of the Company's operations on the community and the environment are central to its decision-making. The Board of Directors meet with its manufacturing partners and other suppliers regularly throughout the year and have implemented appropriate policies to ensure the prevention of modern slavery, bribery & corruption, and breaches of data protection law.

The Board's intention is to maintain a reputation for high standards of business conduct and to act fairly between all members of the Company.

PERTWEE & BACK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

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. As a consequence of the decisions taken by the directors, the turnover has increased by £9.25m to approximately £22.1m; the gross profit margin for the year has been improve from 2.7% in 2020 to 3.3% in 2021. The Company is reporting a profit after tax for the year of £313,184 (2020: *loss of £31,010*). At the balance sheet date, the company remains in a strong position with combined cash and vehicle stocks of £4.1m (2020: £3.0m), and total net assets of £3.7m (2020: £3.2m).

Market position

The Company supplies new and used vehicles, parts and after-sales service facilities through a Ford Dealership. The Company has been appointed by Ford Motor Company to operate as an agent for fully electric vehicles and the infrastructure is in place to sell and service these cars. 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 activity looking for new trading opportunities to increase profitability.

Post year end developments

The 2022 financial year continues to be challenging. Retail sales of new and used vehicles have been satisfactory given the overall market conditions. Based on the business plan and profit projections the directors are confident that the Company will continue to improve its financial performance. The Bank of England decision to increase the interest base rate will have a positive affect on the actuarial valuation of the pension scheme assets. In addition, the increasing trading profits over the life of the business plan will generate the funds needed to reduce the pension scheme deficit.

PERTWEE & BACK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Principal risks and uncertainties

The directors have considered the following principal risks and uncertainties faced by the Company in a challenging and competitive market.

Liquidity and financing: The Company requires liquidity and financing to ensure it can trade on a day-to-day basis. The main sources of funds are provided by banks and other financial institutions. Regular reviews take place to ensure that sufficient headroom exists within facilities to cover business needs. Further, tight controls and targets exist on working capital to ensure that stocks and debtors are kept to a minimum, to reduce exposure to stock depreciation and bad debts.

Market Risk: The Company continues to face challenging economic conditions. The effects and continuing uncertainty of the ongoing supply chain problems caused by the Covid-19 pandemic will be felt for many months to come and remains the largest threat to UK businesses in both the short and medium term. The performance of the Company is subject to customer spending patterns, the general state of the UK economy and the success of Ford Motor Company to develop innovative, market leading vehicles to maintain their market share. 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 to weather these conditions due to the high quality of stocks held, keen pricing strategies and good customer relationships. The Company's success depends to a large extent upon the effort and abilities of its senior management and key employees. The Company is therefore dependent upon our ability to continue to attract and retain talented and skilled personnel.

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 those requirements.

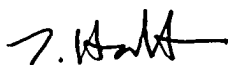
Actions of competitors: The Company is the sole registered dealer for Ford in the Great Yarmouth area. There is increased competition within the new car market from other manufacturers in the region and the sales proportion of new car sales is affected by the brand position and market share of Ford. The Company actively responds to pricing and service requirements of customers with support from Ford.

Financial risk management objectives and policies

The Company uses various measures to try and minimise the financial risk to the Company which include regular reviews to ensure that adequate financing facilities are in place and that sufficient headroom exists within all facilities to cover changes in the business environment. Tight controls and targets exist around working capital to ensure that stocks and debtors are kept to a minimum reducing the exposure to both stock depreciation and bad debts. Further management information within the business will highlight performance gaps and enable corrective action to be taken in areas of underperformance which impact on profitability.

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

S P Hatton
Secretary



Date:

23 / 3 / 2022

PERTWEE & BACK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

Directors

The directors who served during the year were:

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

Results and dividends

The profit for the year, after taxation, amounted to £313,184 (2020 - loss £31,010).

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

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.

Future developments

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

Post balance sheet events

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

PERTWEE & BACK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Auditors

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

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.

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



S P Hatton
Secretary

Date: 23/3/2022

PERTWEE & BACK LIMITED

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

Opinion

We have audited the financial statements of Pertwee & Back Limited (the 'Company') for the year ended 31 October 2021, 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 2021 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

PERTWEE & BACK LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 set out on page 4, 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.

PERTWEE & BACK LIMITED

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

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified the following areas as those most likely to have a material impact on the financial statements: meeting the standards and requirements set by the franchisor; Health & Safety Regulations; Employment Law; General Data Protection Regulations, FCA Regulations and compliance with the UK Companies Act 2006.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management and those charged with governance around actual and potential litigation and claims;
- Reviewing legal and professional invoices to identify any other potential litigation or claims;
- Reviewing minutes of management meetings;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing compliance with laws and regulations including franchise agreements;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

PERTWEE & BACK LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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.

Larking Gowen LLP

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

Date: 23 March 2022

PERTWEE & BACK LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	2021 £	2020 £
Turnover	4	22,107,056	12,855,403
Cost of sales		(21,377,156)	(12,513,799)
Gross profit		729,900	341,604
Administrative expenses		(495,389)	(524,072)
Other operating income	5	129,852	199,638
Operating profit		364,363	17,170
Interest receivable and similar income	9	131	2,451
Other finance income	10	(27,000)	(21,000)
Profit/(loss) before tax		337,494	(1,379)
Tax on profit/(loss)	11	(24,310)	(29,631)
Profit/(loss) for the financial year		313,184	(31,010)

The notes on pages 16 to 36 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021 £	2020 £
Profit/(loss) for the financial year	313,184	(31,010)
Other comprehensive income		
Actuarial gain/(loss) on defined benefit schemes	131,000	(533,000)
Movement on deferred tax relating to pension gains	32,750	127,390
Other comprehensive income for the year	163,750	(405,610)
Total comprehensive income for the year	476,934	(436,620)

The notes on pages 16 to 36 form part of these financial statements.

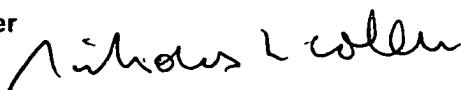
PERTWEE & BACK LIMITED
REGISTERED NUMBER: 00237370

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	2,163,935	2,205,553
Investments	13	12,000	12,000
Investment property	14	782,500	782,500
		<u>2,958,435</u>	<u>3,000,053</u>
Current assets			
Stocks	15	1,647,154	1,850,634
Debtors	16	399,052	359,089
Cash at bank and in hand	17	2,498,221	1,150,093
		<u>4,544,427</u>	<u>3,359,816</u>
Creditors: amounts falling due within one year	18	(2,376,573)	(1,392,514)
Net current assets		<u>2,167,854</u>	<u>1,967,302</u>
Total assets less current liabilities		<u>5,126,289</u>	<u>4,967,355</u>
Pension liability	23	(1,419,000)	(1,737,000)
Net assets		<u><u>3,707,289</u></u>	<u><u>3,230,355</u></u>
Capital and reserves			
Called up share capital	21	2,012	2,012
Revaluation reserve	22	1,572,849	1,608,775
Capital redemption reserve	22	3,088	3,088
Profit and loss account	22	2,129,340	1,616,480
		<u><u>3,707,289</u></u>	<u><u>3,230,355</u></u>

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

N L Coller
 Director



T M Coller
 Director



Date: 23-03-22

The notes on pages 16 to 36 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 November 2019	2,012	3,088	1,644,701	2,017,174	3,666,975
Comprehensive income for the year					
Loss for the year	-	-	-	(31,010)	(31,010)
Actuarial losses on pension scheme and deferred tax	-	-	-	(405,610)	(405,610)
Total comprehensive income for the year	-	-	-	(436,620)	(436,620)
Transfer of depreciation to profit and loss account	-	-	-	35,926	35,926
Transfer of depreciation from revaluation reserve	-	-	(35,926)	-	(35,926)
At 1 November 2020	2,012	3,088	1,608,775	1,616,480	3,230,355
Comprehensive income for the year					
Profit for the year	-	-	-	313,184	313,184
Actuarial losses on pension scheme and deferred tax	-	-	-	163,750	163,750
Total comprehensive income for the year	-	-	-	476,934	476,934
Transfer of depreciation to profit and loss account	-	-	-	35,926	35,926
Transfer of depreciation from revaluation reserve	-	-	(35,926)	-	(35,926)
At 31 October 2021	2,012	3,088	1,572,849	2,129,340	3,707,289

The notes on pages 16 to 36 form part of these financial statements.

PERTWEE & BACK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	313,184	(31,010)
Adjustments for:		
Depreciation of tangible assets	48,395	58,491
Interest received	(131)	(2,451)
Taxation charge	24,310	29,631
Decrease in stocks	203,480	1,575,608
(Increase)/decrease in debtors	(20,512)	631,053
Increase/(decrease) in creditors	982,549	(2,293,919)
Net pension contributions paid and charges in P&L	(214,000)	(9,000)
Corporation tax paid	(9,501)	-
Net interest on defined benefit liability	27,000	21,000
Net cash generated from operating activities	<u>1,354,774</u>	<u>(20,597)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,777)	(915)
Interest received	131	2,451
Net cash from investing activities	<u>(6,646)</u>	<u>1,536</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,348,128</u>	<u>(19,061)</u>
Cash and cash equivalents at beginning of year	1,150,093	1,169,154
Cash and cash equivalents at the end of year	<u><u>2,498,221</u></u>	<u><u>1,150,093</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>2,498,221</u></u>	<u><u>1,150,093</u></u>

The notes on pages 16 to 36 form part of these financial statements.

PERTWEE & BACK LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	At 1 November 2020 £	Cash flows £	At 31 October 2021 £
Cash at bank and in hand	1,150,093	1,348,128	2,498,221

The notes on pages 16 to 36 form part of these financial statements.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1. General information

Pertwee & Back Limited is a private company, limited by shares and registered in England and Wales, registration number 00237370. The registered office is Gapton Hall Road, Gapton Hall Industrial Estate, 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, which is the functional currency of the Company, 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 Going concern

The directors have considered the Company's position at the time of signing the financial statements, and in particular the ongoing impact of the global supply chain issues arising from covid-19 and the Ukrainian crisis on the Company and wider economy.

The directors continue to monitor the position and the potential impact that this may have on both the general economic climate and the Company's operating capacity. The directors believe that with a strong loyal customer base and sufficient balance sheet resources the company is well placed to see through the continued trading uncertainty. The directors have put contingency and mitigation plans into place and they consider that these will allow the company to manage this difficult situation and continue to meet its customer's requirements and ongoing liabilities for the foreseeable future.

Based on the above, the directors have concluded that they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.3 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 2021**

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

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.

2.5 Government grants

Grants of a revenue nature are recognised in the Income statement in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.7 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 profit or loss 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'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets 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 profit or loss.

2.10 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 other 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.

2.11 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.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.13 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.

2.14 Debtors

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

2.15 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.

2.16 Creditors

Short term creditors are measured at the transaction price.

2.17 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 ordinary shares.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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.

Freehold and 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 Statement of financial position. The assumptions reflect historical experience and current trends.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, including those which have arisen in respect of the valuation of the defined benefit pension scheme. Any uncertainties arising from this therefore also generate uncertainty in respect of the deferred tax provision.

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

	2021 £	2020 £
Rents receivable	54,871	50,004
Government grants receivable	50,609	115,828
Commissions receivable	24,372	33,806
	<u>129,852</u>	<u>199,638</u>

Government grants receivable relate to amounts received under the Government Job Retention Scheme and other local council covid support grants.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

6. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,500	9,250

7. Employees

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

	2021	2020
	£	£
Wages and salaries	703,464	741,616
Social security costs	62,705	64,331
Cost of defined benefit scheme	-	100,000
Cost of defined contribution scheme	25,549	22,048
	791,718	927,995

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

	2021	2020
	No.	No.
Employees	31	35

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	118,728	116,364
Company contributions to defined contribution pension schemes	5,439	5,235
	124,167	121,599

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

9. Interest receivable

	2021 £	2020 £
Bank interest receivable	131	2,451

10. Other finance costs

	2021 £	2020 £
Interest income on pension scheme assets	28,000	36,000
Net interest on net defined benefit liability	(55,000)	(57,000)
	(27,000)	(21,000)

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	10,545	9,501
Total current tax	10,545	9,501
Deferred tax		
Movement on fixed assets	13,299	36,969
Deferred tax in respect of prior years	466	(16,839)
Total deferred tax	13,765	20,130
Taxation on profit on ordinary activities	24,310	29,631

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	337,494	(1,379)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	64,124	(262)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	95	17,534
Capital allowances for year in excess of depreciation	(287)	12,064
Income not taxable for tax purposes	-	(12,657)
Deferred tax not recognised	(4,661)	2,961
Deferred tax - changes in rates	(34,961)	9,991
Total tax charge for the year	24,310	29,631

Factors that may affect future tax charges

For the current year, the current tax rate is 19%.

On 24 May 2021 the Finance Bill 2021 was substantively enacted in which the main rate of corporation tax will be 25% from 1 April 2023. This will affect the current tax rate from the year ended 31 October 2023.

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Solar panels £	Total £
Cost or valuation						
At 1 November 2020	2,292,375	59,331	16,400	31,850	49,244	2,449,200
Additions	-	6,777	-	-	-	6,777
At 31 October 2021	2,292,375	66,108	16,400	31,850	49,244	2,455,977
Depreciation						
At 1 November 2020	128,355	53,700	12,014	31,850	17,728	243,647
Charge for the year	42,785	2,543	1,097	-	1,970	48,395
At 31 October 2021	171,140	56,243	13,111	31,850	19,698	292,042
Net book value						
At 31 October 2021	2,121,235	9,865	3,289	-	29,546	2,163,935
At 31 October 2020	2,164,020	5,631	4,386	-	31,516	2,205,553

Included within freehold property is land of £153,125 (2020 - £153,125) which is not depreciated.

All assets are held at cost with the exception of freehold property. The valuation of freehold property as at 31 October 2021 comprises:

	Land and buildings £
At cost	496,093
At valuation: 2017	1,796,282
	2,292,375

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

12. Tangible fixed assets (continued)

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Cost	496,093	496,093
Accumulated depreciation	(27,437)	(20,577)
Net book value	468,656	475,516

13. Fixed asset investments

	Unlisted investments £
Valuation	
At 1 November 2020	12,000
At 31 October 2021	12,000

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 (2020 - £12,000).

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

14. Investment property

	Freehold investment property £
Valuation	
At 1 November 2020	782,500
At 31 October 2021	782,500
Comprising	
Cost	185,016
Annual revaluation surplus:	
2013	47,755
2017	549,729
At 31 October 2021	782,500

The 2021 valuations were made by the directors, on an open market value for existing use basis.

The investment 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.

15. Stocks

	2021 £	2020 £
Raw materials and consumables	-	26,327
Work in progress (goods to be sold)	4,688	8,567
Finished goods and goods for resale	1,642,466	1,815,740
	1,647,154	1,850,634

An impairment charge of £154,005 (2020 - £124,837) 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 goods and goods for resale is £630,841 (2020 - £908,647).

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

16. Debtors

	2021 £	2020 £
Trade debtors	138,926	123,897
Prepayments and accrued income	44,080	38,597
Deferred taxation	216,046	196,595
	399,052	359,089

An impairment loss of £4,314 (2020 - £6,621) was recognised against trade debtors in the year.

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,498,221	1,150,093

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,048,062	1,305,918
Corporation tax	10,545	9,501
Other taxation and social security	1,242,004	47,318
Other creditors	59,308	11,060
Accruals and deferred income	16,654	18,717
	2,376,573	1,392,514

Included within trade creditors is a consignment stock creditor of £630,841 (2020 - £908,647) which is secured against the relevant vehicle stocks included in note 15.

PERTWEE & BACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

19. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>12,000</u>	<u>12,000</u>

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

20. Deferred taxation

	2021 £	2020 £
At beginning of year	196,595	89,335
Credited/(charged) to the profit or loss	(13,299)	(20,130)
Credited/(charged) to other comprehensive income	32,750	127,390
At end of year	<u>216,046</u>	<u>196,595</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Revaluation of investment properties	(110,282)	(83,813)
Revaluation of freehold properties	(117,249)	(89,109)
Pension provision	372,466	330,030
Fixed asset and other timing differences	46,111	22,648
Losses and other deductions	25,000	16,839
	<u>216,046</u>	<u>196,595</u>

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2,012 (2020 - 2,012) Ordinary shares of £1 each	<u>2,012</u>	<u>2,012</u>

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 £487,222 (2020 - £513,691) 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 2021**

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 £25,549 (2020 - £22,048). The balance outstanding at year end amounted to £4,828 (2020 - £5,712).

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 2021, by Mercer Limited, for the purposes of accounts disclosure. This valuation showed scheme assets of £1,782,000 and liabilities of £3,201,000 leaving a liability of £1,419,000, against which a deferred tax asset of £330,030 (2020 - £330,030) has been provided.

The most recent full actuarial valuation of the scheme was prepared as at 5 April 2020 by Mercer Limited.

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	3,660,000	3,056,000
Interest cost	55,000	57,000
Actuarial gains/losses	(35,000)	558,000
Benefits paid	(479,000)	(111,000)
Past service cost	-	100,000
At the end of the year	3,201,000	3,660,000

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

23. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	1,923,000	1,864,000
Interest income	28,000	36,000
Actuarial gains	96,000	25,000
Contributions	238,000	172,000
Benefits paid	(479,000)	(111,000)
Administrative expenses paid	(24,000)	(63,000)
At the end of the year	1,782,000	1,923,000

Composition of plan assets:

	2021 £	2020 £
Corporate bonds	618,000	669,000
Government bonds	372,000	381,000
Diversified growth	621,000	584,000
Cash	171,000	289,000
Total plan assets	1,782,000	1,923,000

	2021 £	2020 £
Fair value of plan assets	1,782,000	1,923,000
Present value of plan liabilities	(3,201,000)	(3,660,000)
Net pension scheme liability	(1,419,000)	(1,737,000)

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

23. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Interest on obligation	(55,000)	(57,000)
Interest income on plan assets	28,000	36,000
Past service cost	-	(100,000)
Administrative expenses	(24,000)	(63,000)
Total	<u>(51,000)</u>	<u>(184,000)</u>

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2021 %	2020 %
Discount rate	1.80	1.60
Future pension increases	3.50	3.05
Inflation assumption	3.00	2.55
Mortality rates		
- for a male aged 65 now	21.8	21.8
- at 65 for a male aged 45 now	23.1	23.1
- for a female aged 65 now	23.7	23.7
- at 65 for a female member aged 45 now	25.3	25.2

PERTWEE & BACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

24. Related party transactions

Total key management personnel compensation, including directors, for the year was £142,036 (2020 - £127,650).

Sales to directors for the year totalled £27,612 (2020 - £8,275) of which no balances were outstanding at year end (2020 - £Nil).

Sales to close family of directors for the year totalled £46,386 (2020 - £6,837) of which no balances were outstanding at year end.

25. Operating leases

The company holds property which are let to third parties. These non-cancellable leases have remaining terms of up to 5 years. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	55,000	35,000
Later than 1 year and not later than 5 years	143,333	140,000
Later than 5 years	-	35,000
	<u>198,333</u>	<u>210,000</u>

26. Controlling party

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