

DAVID PLUCK (NORTH WEST) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Company Registration No. 01477372 (England and Wales)

DAVID PLUCK (NORTH WEST) LIMITED

COMPANY INFORMATION

Directors	Mr D L Pluck Mr N Thompson
Secretary	Mr N Thompson
Company number	01477372
Registered office	c/o DSG, Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

DAVID PLUCK (NORTH WEST) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 29

DAVID PLUCK (NORTH WEST) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report and financial statements for the year ended 31 December 2021.

The principal activity of the company in the year under review continued to be that of bookmakers.

Fair review of the business

The results for the company can be found on page 9 of these financial statements. Both turnover and gross profit have increased from the figures recorded in the previous year. Turnover has increased by £1.7 million to £9,901,651 and gross profit has increased by £1.3 million to £7,841,948. The key factor in the increase in these numbers is Covid-19 and the impact that this had on the industry in the prior year. All betting shops had to be closed from mid-March 2020 through to mid-June 2020 followed by localised closures before a second national closure in England from the start of November 2020 to early December 2020. The company reported a profit before tax of £2,267,096 (2020: £1,586,055). However included in the profit figure is £1,150,887 of various Government support aimed at helping businesses that have been impacted by the pandemic.

Current uncertainties at both macro and micro economic level are likely to present challenges to high street bookmakers over the short to medium term, with our customers facing competition for their discretionary spend.

Principal risk and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key risk and future uncertainty relating to the business is potential changes in its regulatory environment. Other risks that the company may be subject to are detailed below.

The following risks are considered pertinent to the business:

General economic risk - as with any other bookmaker, the business (betting and gaming) is susceptible to the risk of an economic downturn adversely affecting disposable income. Management monitors this situation closely and makes special offers to customers as appropriate.

Competitor risk - betting and gaming businesses face competition in the main from other bookmakers, betting exchanges and other interactive gaming providers. Betting exchanges compete aggressively with prices offered by them frequently being more favourable than those offered by traditional bookmakers. Management, therefore continues to set prices on a commercial basis, taking into account these competitive pressures.

Bookmaking risk - the risk of incurring large losses on bets due to incorrect pricing is mitigated by there being upper limits on bets, monitoring of customers' betting patterns and the use of the latest information services available.

Regulatory risk - the regulatory, legislative and fiscal environment in which the company operates can change at short notice, leading to additional costs of compliance. The directors monitor this risk closely to ensure that they remain compliant with all enacted legislation and consider the costs of such compliance in their financial plans. This has been extremely relevant in recent years with the introduction of the £2 betting cap. The hope is that this same cap is applied to online betting as this could potentially bring customers back into shops who have previously bet online. It should also be noted that at the current time, the Government is undertaking a gambling review which could have an impact on the high street betting shop.

Liquidity risk - the company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk - investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

DAVID PLUCK (NORTH WEST) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

Covid-19 has an impact on this business and the economy has receded although the risk must be recognised that it might return as a new strain, and if it does the risk will be much greater now that the Government has reduced resources to support individuals and businesses through any restrictions that may be imposed. The business has also noticed problems in the recruitment and retention of labour in the past year, which may or may not be attributable to after effects of Covid-19, such as working from home and some of the work force simply electing not to work, but inescapable is the fact that the business has had to increase pay rates for labour which accounts for about 50% of its direct operating costs and this will be apparent in accounts. Additionally, though not necessarily because of Covid-19, at the time of writing the economy is experiencing a cost of living crisis which must impact the discretionary spending power of some of our customers and some softening of demand for our services may occur, although on the flip side the difficulties experienced by our industry in the post Covid-19 era has resulted in the closure of some competitors which has been to the advantage of this business at a micro level.

Development and performance

The average number of betting shops operating at the 31st December 2021 was 36 (2020: 36). Financial results for the current year are outlined above together with the key factors contributing to 2021 performance. Management continues to seek further opportunities to expand their portfolio of shops across the North West region.

The directors know that a high proportion of the premises traded by the company are freehold owned by either the company or its pension fund, and believe that this will assist the business in the difficult times that the industry faces. The company does not have any external debt as at the year end.

Key performance indicators

The company strategy is based upon growing both top line betting volumes and delivering strong operating margins. Revenue and gross margin are therefore important KPIs monitored by management and are discussed above.

Measure	2021	2020
Shops	36	36
Turnover	£9.9m	£8.2m
Gross profit	£7.8m	£6.6m

On behalf of the board

Mr N Thompson
Director

24 August 2022

DAVID PLUCK (NORTH WEST) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D L Pluck
Mr N Thompson

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The directors consider this risk to be minimal given the cash balances held.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

Post reporting date events

There have been no post balance sheet events.

Auditor

The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

DAVID PLUCK (NORTH WEST) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

Mr N Thompson
Director

24 August 2022

DAVID PLUCK (NORTH WEST) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DAVID PLUCK (NORTH WEST) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF DAVID PLUCK (NORTH WEST) LIMITED

Opinion

We have audited the financial statements of David Pluck (North West) Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 December 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 *Auditor's 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 UK, including the FRC'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

DAVID PLUCK (NORTH WEST) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF DAVID PLUCK (NORTH WEST) LIMITED

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 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, 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.

Auditor's 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 auditor's 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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

DAVID PLUCK (NORTH WEST) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF DAVID PLUCK (NORTH WEST) LIMITED

Capability of the audit in detecting irregularities, including fraud

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations, health and safety legislation, trades description act and employment legislation. Further laws and regulations that the client must adhere to include the Gambling Act 2005 and the Proceeds of Crime Act 2002.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's 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 member, for our audit work, for this report, or for the opinions we have formed.

Iain White BSc FCA (Senior Statutory Auditor)
For and on behalf of DSG

24 August 2022

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

DAVID PLUCK (NORTH WEST) LIMITED**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING PROFIT AND LOSS ACCOUNT)****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover	3	9,901,651	8,161,598
Cost of sales		(2,059,703)	(1,597,589)
Gross profit		7,841,948	6,564,009
Administrative expenses		(6,959,320)	(6,670,736)
Other operating income	4	1,266,071	1,692,782
Operating profit	5	2,148,699	1,586,055
Interest receivable and similar income	8	53,712	28,656
Interest payable and similar expenses	9	(7,520)	(2,456)
Other gains and losses	10	79,351	15,653
Profit before taxation		2,274,242	1,627,908
Tax on profit	11	(521,850)	(374,887)
Profit for the financial year and total comprehensive income		1,752,392	1,253,021

DAVID PLUCK (NORTH WEST) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	3,781,838		3,792,911	
Investment properties	14	380,000		380,000	
Listed investments	15	825,304		692,829	
		<u>4,987,142</u>		<u>4,865,740</u>	
Current assets					
Stocks	16	18,000		18,000	
Debtors	17	1,895,644		2,929,677	
Cash at bank and in hand		4,532,460		1,534,383	
		<u>6,446,104</u>		<u>4,482,060</u>	
Creditors: amounts falling due within one year	18	<u>(1,902,526)</u>		<u>(1,201,979)</u>	
Net current assets		<u>4,543,578</u>		<u>3,280,081</u>	
Total assets less current liabilities		<u>9,530,720</u>		<u>8,145,821</u>	
Creditors: amounts falling due after more than one year	19	(77,400)		(67,686)	
Provisions for liabilities					
Provisions	21	537,500		1,024,383	
Deferred tax liability	22	302,603		192,927	
		<u>(840,103)</u>		<u>(1,217,310)</u>	
Net assets		<u>8,613,217</u>		<u>6,860,825</u>	
Capital and reserves					
Called up share capital	24	180		180	
Share premium account		42,291		42,291	
Capital redemption reserve		20		20	
Profit and loss reserves		8,570,726		6,818,334	
Total equity		<u>8,613,217</u>		<u>6,860,825</u>	

The financial statements were approved by the board of directors and authorised for issue on 24 August 2022 and are signed on its behalf by:

Mr D L Pluck
Director

Company Registration No. 01477372

DAVID PLUCK (NORTH WEST) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	180	42,291	20	5,565,313	5,607,804
Year ended 31 December 2020:					
Profit for the year	-	-	-	1,253,021	1,253,021
Balance at 31 December 2020	180	42,291	20	6,818,334	6,860,825
Year ended 31 December 2021:					
Profit for the year	-	-	-	1,752,392	1,752,392
Balance at 31 December 2021	180	42,291	20	8,570,726	8,613,217

DAVID PLUCK (NORTH WEST) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28				
		4,032,875		(126,596)	
Interest paid		(7,520)		(2,456)	
Income taxes paid		(374,645)		(224,517)	
Net cash inflow/(outflow) from operating activities		3,650,710		(353,569)	
Investing activities					
Purchase of tangible fixed assets		(671,463)		(446,065)	
Proceeds on disposal of tangible fixed assets		8,528		-	
Proceeds on disposal of investments		-		112,039	
Purchase of fixed asset investments		(53,124)		(240,853)	
Interest received		178		1,947	
Dividends received		53,534		26,709	
Net cash used in investing activities		(662,347)		(546,223)	
Financing activities					
Repayment of borrowings		9,714		(36,497)	
Net cash generated from/(used in) financing activities		9,714		(36,497)	
Net increase/(decrease) in cash and cash equivalents		2,998,077		(936,289)	
Cash and cash equivalents at beginning of year		1,534,383		2,470,672	
Cash and cash equivalents at end of year		4,532,460		1,534,383	

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

David Pluck (North West) Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o DSG, Chartered Accountants, Castle Chambers, 43 Castle Street, Liverpool, L2 9TL. The principal activities of the company are disclosed in the Strategic Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below and have been consistently applied.

1.2 Going concern

The directors have considered the impact of the Coronavirus which is prevalent at the time of approval of these accounts and are confident that they have adequate resources to continue in business having taken account of current and future expenditure commitments.

Based on the above, the accounts are prepared on a going concern basis.

1.3 Turnover

Revenue is measured at fair value in respect of the provision of services falling within the company's activities during the year.

In the case of over the counter trade 'OTC' in Licensed Betting Offices, revenue represents gains and losses from gambling activity by the accounting period end.

Turnover from FOBT's represents amounts staked less amounts returned in winnings in respect of activity completed by the accounting period end.

Revenue on staked events is recognised when the outcome of the bet is certain.

Where amounts are staked but the outcome of the bet is unknown then these are reflected as a liability on the balance sheet at the reporting date.

1.4 Intangible fixed assets - goodwill

Goodwill is the difference between the fair value of consideration paid on the acquisition of a business and the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and amortised through the profit and loss account over its estimated useful economic life. Amortisation is calculated so as to write off the goodwill cost acquired, less estimated residual value, over the goodwill's estimated useful economic life, which the directors consider to be a period of between 2 and 15 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Over 25 years
Long leasehold buildings	Over the life of the lease
Plant and machinery	25% RB and 25% SL
Office furniture and fittings	15% reducing balance
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Fixed asset investments

Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks consists entirely of betting slips and stationery costs.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value as determined by quoted market prices and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Rentals payable under operating leases are charged against income on a straight line basis over the lease term even if payments are not made on such a basis.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Dilapidations

Provision for dilapidations on property leases is made at the point management becomes reasonably certain that the liability will crystallise.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Provisions

The company is party to a number of leases on properties that are used for trading. Judgement is applied in determining whether leases are onerous. Where a lease is onerous to the company, a provision is established for the amounts contractually payable to the landlord. In addition, provisions exist for expected future dilapidation costs on leasehold properties. Future profitability of each shop is reviewed and where a shop is determined to be loss making, an associated onerous lease provision is made.

Determining and reassessing residual values and useful economic lives of tangible assets

The company depreciates tangible assets over their estimated useful lives. In determining appropriate useful lives of assets, the director has considered historic performance as well as future expectations for factors such as expected usage of the asset, physical wear and tear, technical and commercial obsolescence and legal limitations of the usage of the asset, such as lease terms. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied to determine the residual values for tangible assets. When determining the residual values, the director has assessed the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. At each reporting date, the director has also assessed whether there have been any indicators, such as a change in how the asset is used, significant unexpected wear and tear and changes in market prices, which suggest previous estimates may differ from current expectations. Where this is the case, the residual value and/or useful life is amended and accounted for on a prospective basis.

Assessing operating lease commitments

The company has entered into leases as a lessee obtaining the use of land and buildings and other tangible fixed assets. The classification of such leases as operating or finance lease requires management to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
UK betting shops	9,901,651	8,161,598
	<u> </u>	<u> </u>
	2021 £	2020 £
Turnover analysed by geographical market		
UK	9,901,651	8,161,598
	<u> </u>	<u> </u>

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other revenue		
Interest income	178	1,947
Dividends received from listed investments	53,534	26,709
Grants received	1,150,887	1,598,027
	<u>1,204,599</u>	<u>1,626,683</u>

4 Other operating income

	2021	2020
	£	£
Other operating income includes the following:		
Coronavirus Job Retention Scheme grant income	624,137	789,986
Coronavirus Retail, Hospitality and Leisure grants	526,750	808,041
Rent receivable	113,458	94,179
Sundry income	1,726	576
	<u>1,266,071</u>	<u>1,692,782</u>

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,150,887)	(1,598,027)
Auditors' remuneration	20,000	20,000
Depreciation of owned tangible fixed assets	682,536	707,648
Profit on disposal of tangible fixed assets	(8,528)	-
Operating lease charges	463,869	506,026
	<u>1,006,090</u>	<u>1,635,647</u>

Included within government grants is £624,137 (2020: £789,986) in respect of Coronavirus Job Retention Scheme grant income. Also included is £526,750 (2020: £808,041) in respect of Coronavirus Retail, Hospitality and Leisure Grants.

Rent and rates cost has benefitted by £486,883 in the current year (£375,650 in 2020) from the release of an onerous lease provision previously recognised in respect of those shops that were expected to be loss making. The provision is released to the extent that these shops are now expected to generate a net profit (and hence the associated rental arrangement is no longer onerous in nature). There are no further onerous lease provisions included in these accounts.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Administration	128	126
Management	2	2
Head office	10	10
Total	140	138

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,734,832	2,743,268
Social security costs	210,240	209,801
Pension costs	44,560	42,503
	2,989,632	2,995,572

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	51,229	42,460

The directors are considered to be the key management personnel.

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	178	1,939
Other interest income	-	8
Total interest revenue	178	1,947
Other income from investments		
Dividends received from stock market investments	53,534	26,709
Total income	53,712	28,656

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	178	1,939
Dividends from financial assets measured at fair value through profit or loss	53,534	26,709
	<u>53,712</u>	<u>28,648</u>

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	2,129	2,456
Other finance costs:		
Other interest	5,391	-
	<u>7,520</u>	<u>2,456</u>

10 Gains/(losses) on financial instruments

	2021 £	2020 £
Gain on disposal of financial assets held at fair value through profit or loss	-	87,039
Changes in the fair value of investments	79,351	(71,386)
	<u>79,351</u>	<u>15,653</u>

11 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	406,768	358,429
Adjustments in respect of prior periods	5,406	-
Total current tax	<u>412,174</u>	<u>358,429</u>
Deferred tax		
Origination and reversal of timing differences	109,676	16,458
	<u>109,676</u>	<u>16,458</u>
Total tax charge	<u>521,850</u>	<u>374,887</u>

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,274,242	1,627,908
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	432,106	309,303
Tax effect of expenses that are not deductible in determining taxable profit	(17,400)	(1,046)
Tax effect of income not taxable in determining taxable profit	(10,171)	(5,075)
Adjustments in respect of prior years	5,406	166
Permanent capital allowances in excess of depreciation	111,909	71,539
Taxation charge for the year	521,850	374,887

Factors that may affect future tax charges

Finance Act 2021 included provisions to increase the corporation tax rate from 19% to 25% with effect from 1 April 2023.

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	1,600,088
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	1,600,088
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

	Freehold buildings	Long leasehold buildings	Plant and machinery	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	3,417,550	1,862,830	5,509,779	4,736,129	87,968	15,614,256
Additions	160,481	173,435	215,723	121,824	-	671,463
Disposals	-	-	-	-	(22,971)	(22,971)
At 31 December 2021	3,578,031	2,036,265	5,725,502	4,857,953	64,997	16,262,748
Depreciation and impairment						
At 1 January 2021	1,584,448	1,539,575	4,782,093	3,840,605	74,624	11,821,345
Depreciation charged in the year	162,520	122,561	235,852	152,602	9,001	682,536
Eliminated in respect of disposals	-	-	-	-	(22,971)	(22,971)
At 31 December 2021	1,746,968	1,662,136	5,017,945	3,993,207	60,654	12,480,910
Carrying amount						
At 31 December 2021	1,831,063	374,129	707,557	864,746	4,343	3,781,838
At 31 December 2020	1,833,102	323,255	727,686	895,524	13,344	3,792,911

14 Investment property

	2021
	£
Fair value	
At 1 January 2021 and 31 December 2021	380,000

The fair value of the investment properties has been determined by the directors based on a property yield basis by reference to market evidence of prices for similar properties. The directors have considered the carrying value at the 31st December 2021 and believe it approximated to fair value.

15 Fixed asset investments

	2021	2020
	£	£
Listed investments	825,304	692,829

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments £
Cost or valuation	
At 1 January 2021	692,829
Additions	53,124
Valuation changes	79,351
	<hr/>
At 31 December 2021	825,304
	<hr/>
Carrying amount	
At 31 December 2021	825,304
	<hr/>
At 31 December 2020	692,829
	<hr/>

16 Stocks

	2021 £	2020 £
Finished goods and goods for resale	18,000	18,000
	<hr/>	<hr/>

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	1,615,969	2,653,421
Prepayments	279,675	276,256
	<hr/>	<hr/>
	1,895,644	2,929,677
	<hr/>	<hr/>

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	378,204	257,023
Corporation tax	395,958	358,429
Other taxation and social security	683,090	361,946
Other creditors	132,614	42,372
Accruals	312,660	182,209
	<hr/>	<hr/>
	1,902,526	1,201,979
	<hr/>	<hr/>

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	20	77,400	67,686

The directors' loan carries a fixed interest rate charge of 3% and is renewed on a 53 week rolling basis.

20 Loans and overdrafts

	2021 £	2020 £
Other loans	77,400	67,686
Payable after one year	77,400	67,686

21 Provisions for liabilities

	2021 £	2020 £
Dilapidations	537,500	537,500
Onerous lease	-	486,883
	537,500	1,024,383

Movements on provisions:

	Dilapidations £	Onerous lease £	Total £
At 1 January 2021	537,500	486,883	1,024,383
Reversal of provision	-	(486,883)	(486,883)
At 31 December 2021	537,500	-	537,500

An onerous lease provision of £1,238,183 was recognised in the accounts for the year ended 31 December 2018 in relation to those outlets within the company shop portfolio which may be loss making. This provision is reviewed on an annual basis and released back to the profit and loss account if the shops have since become operational.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
ACAs	302,603	192,927
	<u> </u>	<u> </u>
Movements in the year:		2021 £
Liability at 1 January 2021		192,927
Charge to profit or loss		109,676
		<u> </u>
Liability at 31 December 2021		302,603
		<u> </u>

There are no unused tax losses or unused tax credits.

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances.

23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	44,560	42,503
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	180	180	180	180
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company has one class of ordinary shares which carry no right to fixed income.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	479,066	510,690
Between two and five years	715,318	1,132,134
In over five years	126,250	188,500
	<u>1,320,634</u>	<u>1,831,324</u>

26 Related party transactions

Included within other loans in creditors falling due after more than one year are loans owing to a director and shareholder of £77,400 (2020: £67,686). This balance is included in note 18, creditors: amounts falling due after more than one year. During the year loan interest of £2,129 (2020: £2,456) was charged in respect of these loans. Interest is charged on this loan at a commercial rate.

As at the balance sheet date the amount owed to the company by the the director's pension scheme is £nil (2020: £164,057). This balance is included in note 16, other debtors.

As at the balance sheet date the amount owed by the company to the the director's pension scheme is £113,120 (2020: £nil). This balance is included in note 17, other creditors. Interest is charged on this loan at a commercial rate.

As at the balance sheet date the amount owed to the company by a company with the same directors and shareholders is £1,514,323 (2020: £2,342,300). This balance is included in note 16, other debtors.

During the year rent amounting to £116,150 (2020: £116,148) was accrued for and is due to the directors' pension scheme.

27 Ultimate controlling party

The ultimate controlling party is Mr D L Pluck by virtue of his majority shareholding.

DAVID PLUCK (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

28 Cash generated from/(absorbed by) operations

	2021 £	2020 £
Profit for the year after tax	1,752,392	1,253,021
Adjustments for:		
Taxation charged	521,850	374,887
Finance costs	7,520	2,456
Investment income	(53,712)	(28,656)
Gain on disposal of tangible fixed assets	(8,528)	-
Depreciation and impairment of tangible fixed assets	682,536	707,648
Other gains and losses	(79,351)	(15,653)
Decrease in provisions	(486,883)	(375,650)
Movements in working capital:		
Decrease/(increase) in debtors	1,034,033	(1,916,291)
Increase/(decrease) in creditors	663,018	(128,358)
Cash generated from/(absorbed by) operations	4,032,875	(126,596)

29 Analysis of changes in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	1,534,383	2,998,077	4,532,460
Borrowings excluding overdrafts	(67,686)	(9,714)	(77,400)
	<u>1,466,697</u>	<u>2,988,363</u>	<u>4,455,060</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.