

**DAVID PLUCK (NORTH WEST) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**Company Registration No. 01477372 (England and Wales)**

THURSDAY



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# DAVID PLUCK (NORTH WEST) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D L Pluck Mr N Thompson
<b>Secretary</b>	Mr N Thompson
<b>Company number</b>	01477372
<b>Registered office</b>	c/o Duncan Sheard Glass Castle Chambers 43 Castle Street Liverpool L2 9TL
<b>Auditors</b>	Duncan Sheard Glass Castle Chambers 43 Castle Street Liverpool L2 9TL

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# DAVID PLUCK (NORTH WEST) LIMITED

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# DAVID PLUCK (NORTH WEST) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2015

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The directors present the strategic report and financial statements for the year ended 31 December 2015.

#### **Fair review of the business**

The current years results are an improvement on the previous year. There was an overall profit before tax made for the year to 31st December 2015 amounting to £665,925 compared to a loss of £364,785 in the previous year.

Net assets in the year amounted to £3,526,741 (2014: £3,826,913).

#### **Principal risks 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 in the Directors' Report.

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.

#### **Development and performance**

The company has continued to derive revenues from the operation of fixed odds betting terminals ("FOBT's") at its betting shops.

The introduction of a number of SSBT's (Self Service Betting Terminals) proved popular and these will be installed in every shop in 2016.

#### **Key performance indicators**

The Company strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPI's. Performance for the year, together with comparative data for the previous year is set out below:

##### **(a) Turnover**

Turnover increased in the year from £34,228,531 to £37,209,139 (8.7%).

##### **(b) Gross Profit %**

This is gross profit expressed as a percentage of turnover. Gross Profit % for 2015 was 23.25% (2014: 23.11%).

# DAVID PLUCK (NORTH WEST) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### Other performance indicators

The number of betting shops operating at the 31st December 2015 was 39 (2014: 40). The directors continue to monitor overhead spend with a view to preserving profitability. Overheads of £8,196,456 was incurred in 2015 (2014: £8,356,397). This represents 22.1% of turnover (2014: 24.5%).

By order of the board



Mr N Thompson

**Secretary**

27 June 2016

# DAVID PLUCK (NORTH WEST) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### Principal activities

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

### 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 F J Seymour

Mr N Thompson

(Retired 26 November 2015)

### Results and dividends

The results for the year are set out on page 7.

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

### Post reporting date events

There have been no post balance sheet events.

### Auditors

The auditors, Duncan Sheard Glass, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors 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.

By order of the board

A handwritten signature in black ink, appearing to be 'N Thompson', with a long horizontal flourish extending to the right.

Mr N Thompson

**Secretary**

27 June 2016

# **DAVID PLUCK (NORTH WEST) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DAVID PLUCK (NORTH WEST) LIMITED**

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We have audited the financial statements of David Pluck (North West) Limited for the year ended 31 December 2015 set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# DAVID PLUCK (NORTH WEST) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF DAVID PLUCK (NORTH WEST) LIMITED

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

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

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

*Iain White*

Iain White BSc FCA (Senior Statutory Auditor)  
for and on behalf of Duncan Sheard Glass

27 June 2016

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# DAVID PLUCK (NORTH WEST) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	37,209,139	34,228,531
Cost of sales		(28,558,176)	(26,316,792)
<b>Gross profit</b>		<b>8,650,963</b>	<b>7,911,739</b>
Administrative expenses		(8,196,456)	(8,356,397)
Other operating income		241,107	98,148
<b>Operating profit/(loss)</b>	<b>4</b>	<b>695,614</b>	<b>(346,510)</b>
Interest receivable and similar income	6	11,668	6,974
Interest payable and similar charges	7	(28,999)	(8,545)
Amounts (written back) / written off investments	8	(12,358)	(16,704)
<b>Profit/(loss) before taxation</b>		<b>665,925</b>	<b>(364,785)</b>
Taxation	9	(186,097)	41,247
<b>Profit/(loss) for the financial year</b>		<b>479,828</b>	<b>(323,538)</b>
<b>Total comprehensive income for the year</b>		<b>479,828</b>	<b>(323,538)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# DAVID PLUCK (NORTH WEST) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Goodwill	11		-		82,293
Tangible assets	12		5,049,529		5,196,901
Investments	13		76,747		89,105
			<u>5,126,276</u>		<u>5,368,299</u>
<b>Current assets</b>					
Stocks	14	18,500		18,900	
Debtors	15	843,025		1,016,591	
Cash at bank and in hand		1,348,685		1,039,918	
		<u>2,210,210</u>		<u>2,075,409</u>	
<b>Creditors: amounts falling due within one year</b>	16	(1,617,037)		(1,427,285)	
Net current assets			593,173		648,124
<b>Total assets less current liabilities</b>			5,719,449		6,016,423
<b>Creditors: amounts falling due after more than one year</b>	17		(1,303,192)		(1,322,689)
<b>Provisions for liabilities</b>	19		(889,516)		(866,821)
<b>Net assets</b>			<u>3,526,741</u>		<u>3,826,913</u>
<b>Capital and reserves</b>					
Called up share capital	22		180		200
Share premium account			42,291		42,291
Capital redemption reserve			20		-
Profit and loss reserves			3,484,250		3,784,422
<b>Total equity</b>			<u>3,526,741</u>		<u>3,826,913</u>

The financial statements were approved by the board of directors and authorised for issue on 27 June 2016 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 2015

	Notes	Share capital called up £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total equity £
<b>Balance at 1 January 2014</b>		200	42,291	-	4,107,960	4,150,451
<b>Period ended 31 December 2014:</b>						
Loss and total comprehensive income for the year		-	-	-	(323,538)	(323,538)
<b>Balance at 31 December 2014</b>		200	42,291	-	3,784,422	3,826,913
<b>Period ended 31 December 2015:</b>						
Profit and total comprehensive income for the year		-	-	-	479,828	479,828
Purchase of own shares	10	-	-	-	(780,000)	(780,000)
Reduction of shares	22	(20)	-	-	-	(20)
Transfers		-	-	20	-	20
<b>Balance at 31 December 2015</b>		180	42,291	20	3,484,250	3,526,741

# DAVID PLUCK (NORTH WEST) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	2,132,478		831,704	
Interest paid		(28,999)		(8,545)	
Income taxes refunded/(paid)		82,595		(138,233)	
<b>Net cash inflow from operating activities</b>		<u>2,186,074</u>		<u>684,926</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(830,170)		(1,009,441)	
Proceeds on disposal of tangible fixed assets		44,082		-	
Interest received		5,948		1,803	
Dividends received		5,720		5,171	
<b>Net cash used in investing activities</b>		<u>(774,420)</u>		<u>(1,002,467)</u>	
<b>Financing activities</b>					
Repayment of borrowings		(322,887)		569,796	
Purchase of own shares		(780,000)		-	
<b>Net cash (used in)/generated from financing activities</b>		<u>(1,102,887)</u>		<u>569,796</u>	
<b>Net increase in cash and cash equivalents</b>		<u>308,767</u>		<u>252,255</u>	
Cash and cash equivalents at beginning of year		1,039,918		787,663	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,348,685</u></u>		<u><u>1,039,918</u></u>	

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

#### Company information

David Pluck (North West) Limited is a company limited by shares incorporated in England and Wales. The registered office is c/o Duncan Sheard Glass, Castle Chambers, 43 Castle Street, Liverpool, L2 9TL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with UK Accounting Standards, including 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 pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

#### Transition to FRS 102

These financial statements for the year ended 31 December 2015 are the first financial statements of David Pluck (North West) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous periods have not been materially affected, and therefore have not been restated, as a result of this change in accounting policy.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 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 in Licensed Betting Offices, turnover represents the amounts staked by customers in respect of individual bets placed on events that have occurred 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 and is stated net of VAT.

Revenue is recognised when the outcome of the bet is certain.

#### 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.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 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.

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% reducing balance
Office furniture and fittings	15% reducing balance
Motor vehicles	25% reducing balance

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 Impairment of fixed assets

At each reporting 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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 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 2015

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#### 1 Accounting policies

(Continued)

##### 1.8 Cash and cash equivalents

Cash and cash equivalents 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.

##### 1.9 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 statement of financial position 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 trade and other receivables 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.

##### **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 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 2015

### 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, including trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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.

#### **Derecognition of financial liabilities**

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

### 1.10 Equity instruments

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

### 1.11 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.

#### **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**

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.12 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.

See note 1.16 for dilapidation provision details.

#### 1.13 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.

#### 1.14 Retirement benefits

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

#### 1.15 Leases

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.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.16 Dilapidations

Provision for dilapidations on property leases is made where the lease expires (including break clauses) within 5 years of the balance sheet date. No provision is made for leases expiring beyond 5 years as it is considered that a transfer of economic benefit beyond this point is too uncertain.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Dilapidations

See note 1.16 above.

#### Useful economic life of tangible fixed assets

See note 1.5 above.

### 3 Turnover and other revenue

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

	2015 £	2014 £
<b>Turnover</b>		
Revenue	37,209,139	34,228,531
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	5,948	1,803
Dividends received	5,720	5,171
	<u>                    </u>	<u>                    </u>
<b>Turnover analysed by geographical market</b>		
	2015 £	2014 £
UK	37,209,139	34,228,531
	<u>                    </u>	<u>                    </u>

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Operating profit/(loss)

	2015 £	2014 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	20,000	15,000
Depreciation of owned tangible fixed assets	934,232	849,879
Profit/(loss) on disposal of tangible fixed assets	(771)	131,321
Amortisation of intangible assets	82,293	105,902
Operating lease charges	1,362,852	1,313,231

### 5 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	104,749	109,667

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

### 6 Interest receivable and similar income

	2015 £	2014 £
<b>Interest income</b>		
Interest on bank deposits	4,020	1,603
Other interest income	1,928	200
Total interest revenue	5,948	1,803
<b>Other income from investments</b>		
Dividends received	5,720	5,171
Total income	11,668	6,974

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,020	1,603
Dividends from financial assets measured at fair value through profit or loss	5,720	5,171

### 7 Interest payable and similar charges

	2015 £	2014 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest	28,999	8,545

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Amounts (written back) / written off investments

	2015 £	2014 £
Changes in the fair value of investments	(12,358)	(16,704)

### 9 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	156,548	(68,450)
Adjustments in respect of prior periods	(14,146)	(1,767)
Total current tax	142,402	(70,217)
<b>Deferred tax</b>		
Origination and reversal of timing differences	43,695	28,970
Total tax charge	186,097	(41,247)

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2015 £	2014 £
Profit/(loss) before taxation	665,925	(364,785)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	133,185	(76,605)
Tax effect of expenses that are not deductible in determining taxable profit	6,394	(4,511)
Adjustments in respect of prior years	(14,146)	(1,767)
Effect of change in corporation tax rate	1,912	(4,604)
Permanent capital allowances in excess of depreciation	-	(15,113)
Depreciation on assets not qualifying for tax allowances	42,733	44,347
Amortisation on assets not qualifying for tax allowances	16,459	17,006
Tax at marginal rate	(440)	-
Tax expense for the year	186,097	(41,247)

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 Purchase of own shares

	2015 £	2014 £
Purchase of own shares	780,000	-
	<u>780,000</u>	<u>-</u>

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	1,600,088
<b>Amortisation and impairment</b>	
At 1 January 2015	1,517,795
Amortisation charged for the year	82,293
At 31 December 2015	1,600,088
<b>Carrying amount</b>	
At 31 December 2015	-
At 31 December 2014	82,293

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Tangible fixed assets

	Freehold buildings	Long leasehold buildings	Plant and machinery	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2015	2,462,086	1,600,885	3,884,796	4,106,083	126,787	12,180,637
Additions	72,916	7,832	696,487	24,124	28,811	830,170
Disposals	-	(39,132)	-	-	(18,130)	(57,262)
At 31 December 2015	2,535,002	1,569,585	4,581,283	4,130,207	137,468	12,953,545
<b>Depreciation and impairment</b>						
At 1 January 2015	850,446	842,737	2,462,021	2,745,179	83,352	6,983,735
Depreciation charged in the year	98,484	122,412	491,265	206,338	15,733	934,232
Eliminated in respect of disposals	-	-	-	-	(13,951)	(13,951)
At 31 December 2015	948,930	965,149	2,953,286	2,951,517	85,134	7,904,016
<b>Carrying amount</b>						
At 31 December 2015	1,586,072	604,436	1,627,997	1,178,690	52,334	5,049,529
At 31 December 2014	1,611,639	758,148	1,422,775	1,360,904	43,435	5,196,901

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Fixed asset investments

	2015 £	2014 £
Listed investments	<u>76,747</u>	<u>89,105</u>
Listed investments carrying amount	<u>76,747</u>	<u>89,105</u>

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2015	89,105
Valuation changes	(12,358)
At 31 December 2015	<u>76,747</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>76,747</u>
At 31 December 2014	<u>89,105</u>

### 14 Stocks

	2015 £	2014 £
Finished goods and goods for resale	<u>18,500</u>	<u>18,900</u>

### 15 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Other debtors	137,862	213,387
Prepayments and accrued income	705,163	803,204
	<u>843,025</u>	<u>1,016,591</u>



# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 16 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	18	345,201	648,591
Trade creditors		266,755	352,864
Corporation tax		156,548	(68,450)
Other taxation and social security		672,112	315,936
Other creditors		5,589	47,478
Accruals and deferred income		170,832	130,866
		<u>1,617,037</u>	<u>1,427,285</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	18	<u>1,303,192</u>	<u>1,322,689</u>

The loan due to the pension scheme ('Other loans') carries an interest rate of 7% and is repayable in December 2019.

The directors loan carries a fixed interest rate charge of 0.5% and is renewed on a 53 week rolling basis.

### 18 Loans and overdrafts

	2015 £	2014 £
Directors' loans	1,337,201	1,615,118
Other loans	311,192	356,162
	<u>1,648,393</u>	<u>1,971,280</u>
Payable within one year	345,201	648,591
Payable after one year	<u>1,303,192</u>	<u>1,322,689</u>

### 19 Provisions for liabilities

	2015 £	2014 £
Dilapidations	655,500	676,500
Deferred tax liabilities	20 234,016	190,321
	<u>889,516</u>	<u>866,821</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

### 19 Provisions for liabilities

	Dilapidations £
At 1 January 2015	676,500
Use of provisions in the year	(21,000)
	<u>655,500</u>
At 31 December 2015	<u>655,500</u>

### 20 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 2015 £	Liabilities 2014 £
<b>Balances:</b>		
Accelerated capital allowances	<u>234,016</u>	<u>190,321</u>
<b>Movements in the year:</b>		<b>2015 £</b>
Liability at 1 January 2015		190,321
Charge to profit or loss		43,695
Liability at 31 December 2015		<u>234,016</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.

### 21 Retirement benefit schemes

#### Defined contribution schemes

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.

The charge to profit and loss in respect of defined contribution schemes was £45,618 (2014 - £39,459).

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 22 Share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Issued and fully paid</b>		
180 Ordinary shares of £1 each	180	200
<b>Reconciliation of movements during the year:</b>		
		<b>Number</b>
At 1 January 2015		200
Purchase of own shares		(20)
At 31 December 2015		180

During the year the company repurchased 20 Ordinary Shares at par.

### 23 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

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:

	2015 £	2014 £
Within one year	785,308	785,308
Between two and five years	2,738,034	2,738,034
In over five years	2,348,139	3,133,447
	<u>5,871,481</u>	<u>6,656,789</u>

### 24 Related party transactions

No guarantees have been given or received.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 24 Related party transactions

(Continued)

Included in other debtors is a loan to N F Thompson, a director of the company. At the year end the balance on this loan stood at £12,872 (2014: £20,085), interest received on this loan amounted to £658 (2014: £200) for the period.

Creditors falling due with one year include loans owing to D L Pluck of £97,201 (2014: £229,128) and F J Seymour of £Nil (2014: £145,990 ). Included within other loans in creditors falling due after more than one year are loans owing to D L Pluck of £1,240,000 (2014: £1,240,000). During the year loan interest of £8,405 (2014: £6,716) was charged in respect of these loans.

As at the balance sheet date the company owed an amount of £311,192 (2014: £356,163 ) to the Dee Retirement Benefit Scheme of which D Pluck is the main beneficiary. This loan is disclosed £248,000 (2014: £273,473 ) within other creditors falling within one year and £63,192 (2014: £82,690 ) within other creditors falling due after one year. Interest of £20,594 (2014: £1,829) was charged in respect of this loan.

Other debtors include an amount of £40,842 (2014: £40,842) in respect of building costs borne by the company on behalf of the Dee Retirement Benefit Scheme.

During the year rent amounting to £183,475 (2014: £171,850) was paid over to the Dee Retirement Benefit Scheme.

#### 25 Cash generated from operations

	2015 £	2014 £
Profit/(loss) for the year after tax	479,828	(323,538)
<b>Adjustments for:</b>		
Taxation charged/(credited)	186,097	(41,247)
Finance costs	28,999	8,545
Investment income	(11,668)	(6,974)
(Gain)/loss on disposal of tangible fixed assets	(771)	131,321
Amortisation and impairment of intangible assets	82,293	105,902
Depreciation and impairment of tangible fixed assets	934,232	849,879
Amounts (written back) / written off investments	12,358	16,704
(Decrease)/increase in provisions	(21,000)	95,000
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	400	(400)
Decrease/(increase) in debtors	173,566	(121,516)
Increase in creditors	268,144	118,028
<b>Cash generated from operations</b>	<b>2,132,478</b>	<b>831,704</b>