Company Registration No. 01172728 (England and Wales)

PAUL MURRAY PLC

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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PAUL MURRAY PLC

COMPANY INFORMATION

Directors	P T Murray K J Murray N B Hayton S C Coatham M Cox C Murray G L Robertson T Eastwood M J Murray
Secretary	S C Coatham
Company number	01172728
Registered office	School Lane Chandlers Ford Eastleigh Hampshire SO53 4YN
Auditors	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

PAUL MURRAY PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Fair review of business

The principal activity of the company continued to be that of wholesaling and packing of non-pharmaceutical products and surgical goods, and the distribution of cosmetics, fragrances and toiletries.

In the year the company achieved sales of £13,990,324 (2014 - £16,325,712) a decrease of 14.3% on the previous year. This decrease however is largely due to a change in the company's relationship with its largest supplier. On 1 September 2014, the company became an agent of this supplier and, from that date, all sales made of its products were made as an agent and thus included in the company's turnover only to the extent of commission earned on those sales. This resulted in a decrease in reported turnover for the year and to the company's stock, trade debtors and trade creditors which did, however, result in improved cash flow. The sales total including agency sales were £18,437,451 (2014 - £17,300,023).

The directors continue to adopt a going concern basis in preparing the financial statements.

Principal risks and uncertainties

The directors will continue to seek to expand the company's product range and customer base to ensure the company remains in a strong position to capitalise on its investment in the business operational framework, to take advantage of market improvements and to withstand any external economic pressures.

Key performance indicators

The key financial highlights of the company's activities are:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Turnover reported in the financial statements	13,990,324	16,325,712	18,109,647	16,369,066	11,769,421
Turnover including agency sales	18,437,451	17,300,023	18,109,647	16,369,066	11,769,421
Gross profit margin	38.5%	30.9%	30.9%	31.9%	34.7%
Profit before tax	1,147,089	947,357	1,210,043	1,006,689	559,736

Other performance indicators

The company's ongoing strategies are to improve turnover, to protect and increase its share of the market together with protecting margins. In 2015 the company consolidated its position as a leading supplier of health, beauty and nursery products to pharmacy, the High Street, online and other markets and the directors consider it is now on course to take full advantage of that position and the agency contract referred to above in 2016.

Financial risk management objectives and policies
The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for, and finance, the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks, applicable to the financial statements concerned is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between long term loans and the use of overdrafts at floating rates of interest.

The interest rate on the loans from financial institutions is variable but monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed, in respect of credit and cash flow risk, by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Policy on the payment of creditors
Payment is generally made by the company to its creditors in accordance with agreed terms of business. It is the policy of the company that all invoices issued by suppliers are paid within 30 days following the end of the month in which the invoices are received. In the case of certain overseas suppliers, the terms of business with the company are such that payments may be made at an earlier time. The total amount of trade creditors as at 31 December 2015 represents 19 days (2014 - 19 days) as a proportion of the amount invoiced by suppliers during the year ended on that date. It is not the company's policy to follow any code or standard on payment practice.

On behalf of the board

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P T Murray
Director
1 April 2016

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

Principal activities

The principal activity of the company continued to be that of wholesaling and packing of non-pharmaceutical products and surgical goods, and the distribution of cosmetics, fragrances and toiletries.

Directors

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

P T Murray
K J Murray
N B Hayton
S C Coatham
M Cox
C Murray
G L Robertson
T Eastwood
M J Murray

Results and dividends

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

Particulars of dividends paid are detailed in note 11 to the financial statements.

Future developments

The company has had marked success over the last few years in distributing UK branded goods to its customers. Turnover has reduced due to the commission/agency arrangement. This has led to an increase in overall gross profit margins in percentage terms. The company is also looking to increase the distribution of its own brands, which contribute significantly to the company's profitability.

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

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.

Strategic report

In accordance with the Companies Act 2006, s414C(11), information in respect of business activities and risk are shown within the Strategic Report on pages 1 and 2.

On behalf of the board

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P T Murray
Director
1 April 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAUL MURRAY PLC

We have audited the financial statements set out on pages 7 to 26. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

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

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.

RSM UK Audit LLP

Michaela Johns (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY
1 April 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	13,990,324	16,325,712
Cost of sales		(8,600,966)	(11,277,218)
Gross profit		5,389,358	5,048,494
Distribution costs		(2,774,001)	(2,781,966)
Administrative expenses		(1,464,247)	(1,278,271)
Operating profit	4	1,151,110	988,257
Interest receivable and similar income	8	7,712	-
Interest payable and similar charges	9	(11,733)	(40,900)
Profit on ordinary activities before taxation		1,147,089	947,357
Taxation	10	(276,063)	(198,407)
Profit for the financial year		871,026	748,950
Other comprehensive income net of taxation			
Revaluation of tangible fixed assets		146,000	(65,858)
Total comprehensive income for the year		1,017,026	683,092

The income statement has been prepared on the basis that all operations are continuing operations.

Company Registration No. 01172728

PAUL MURRAY PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Goodwill	12		85,523		101,073
Tangible assets	13		1,716,620		1,671,342
Investments	14		1		1
			1,802,144		1,772,416
Current assets					
Stocks	16	2,856,013		2,641,150	
Debtors	17	2,334,193		1,953,877	
Cash at bank and in hand		292,459		223,308	
		5,482,665		4,818,335	
Creditors: amounts falling due within one year	18	(2,079,590)		(1,744,091)	
Net current assets			3,403,075		3,074,244
Total assets less current liabilities			5,205,219		4,846,660
Creditors: amounts falling due after more than one year	19		(120,719)		(492,985)
Provisions for liabilities	21		(105,014)		(88,736)
Net assets			4,979,486		4,264,939
Capital and reserves					
Called up share capital	24		100,000		100,000
Revaluation reserve			552,199		406,199
Profit and loss reserves			4,327,287		3,758,740
Total equity			4,979,486		4,264,939

The financial statements were approved by the board of directors and authorised for issue on 1 April 2016 and are signed on its behalf by:

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P T Murray
Director

PAUL MURRAY PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2014		100,000	476,044	3,308,282	3,884,326
Period ended 31 December 2014:					
Profit for the year		-	-	748,950	748,950
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets		-	(65,858)	-	(65,858)
Total comprehensive income for the year		-	(65,858)	748,950	683,092
Transaction with owners in their capacity as owners					
Dividends	**11**	-	-	(302,479)	(302,479)
Transfers		-	(3,987)	3,987	-
Balance at 31 December 2014		100,000	406,199	3,758,740	4,264,939
Period ended 31 December 2015:					
Profit for the year		-	-	871,026	871,026
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets		-	146,000	-	146,000
Total comprehensive income for the year		-	146,000	871,026	1,017,026
Transaction with owners in their capacity as owners					
Dividends	**11**	-	-	(302,479)	(302,479)
Balance at 31 December 2015		100,000	552,199	4,327,287	4,979,486

PAUL MURRAY PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Cash flows from operating activities					
Cash generated from operations	**29**		938,828		2,371,297
Interest paid			(11,733)		(40,900)
Income taxes paid			(195,358)		(269,140)
Net cash inflow from operating activities			731,737		2,061,257
Investing activities					
Purchase of tangible fixed assets		(110,715)		(192,103)	
Proceeds on disposal of tangible fixed assets		12,000		5,194	
Interest received		7,712		-	
Net cash used in investing activities			(91,003)		(186,909)
Financing activities					
Repayment of bank loans		(263,724)		(108,461)	
Dividends paid		(302,479)		(302,479)	
Net cash used in financing activities			(566,203)		(410,940)
Net increase in cash and cash equivalents			74,531		1,463,408
Cash and cash equivalents at beginning of year			65,114		(1,398,294)
Cash and cash equivalents at end of year			139,645		65,114
Relating to:					
Cash at bank and in hand			292,459		223,308
Bank overdrafts included in creditors payable within one year			(152,814)		(158,194)

1 Accounting policies

Company information
Paul Murray PLC is a limited company domiciled and incorporated in England and Wales. The registered office is School Lane, Chandlers Ford, Eastleigh, Hampshire, SO53 4YN.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention
The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006 and under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

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 £1.

These financial statements are the first financial statements Paul Murray Plc prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Paul Murray Plc for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ to previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

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.

Turnover
Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers for the sale of non-pharmaceutical products, surgical goods, cosmetics, fragrances, and toiletries in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

In 2014 the company entered into an agreement with a supplier to act as their agent in the supply of their goods. Commission is receivable in respect of sales made and recognised within turnover shown in the profit and loss account. Revenue is recognised at the point of dispatch of the product.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. As at 1 January 2015, there was 6.5 years left until the acquisition of goodwill would be amortised in full and this was reassessed under FRS 102.

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.

Tangible fixed assets are stated at cost, being purchase price together with any incidental costs of acquisition, less accumulated depreciation, except for freehold land & buildings which are held at valuation. Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold property	2% straight line
Fixtures and fittings	25% reducing balance and 33.33% straight line
Equipment	25% straight line
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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

1 Accounting policies (Continued)

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.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis and provision is made for obsolete and slow moving items.

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.

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.

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 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

1 Accounting policies (Continued)

Other financial assets

Other financial assets, including trade investments, 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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or 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.

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 it 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.

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 trade and other payables, bank borrowings, 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.

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

1 Accounting policies (Continued)

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.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

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.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits
The costs of 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.

Retirement benefits
The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year in accordance with the rules of the fund. The assets of the scheme are held separately from these of the company in an independently administered fund.

1 Accounting policies (Continued)

Leases
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.

Foreign exchange
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

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 accounting policies requiring the most judgement within the financial statements are those relating to stock valuation, revaluation of assets and accounting for sales and purchases under agency agreements.

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.

3 Turnover and other revenue

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

	2015	2014
	£	£
Turnover		
Sale of goods	12,891,986	16,027,280
Commission receipts	1,098,338	298,432
	13,990,324	16,325,712

Turnover analysed by geographical market

	2015	2014
	£	£
United Kingdom	13,256,121	15,708,279
Europe	547,389	513,580
Rest of the World	186,814	103,853
	13,990,324	16,325,712

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2015 £	2014 £
Exchange losses/(gains)	5,572	4,476
Depreciation of owned tangible fixed assets	204,723	207,980
Profit/(loss) on disposal of tangible fixed assets	(5,286)	2,493
Amortisation of intangible assets	15,550	15,550
Cost of stocks recognised as an expense	7,511,538	10,197,934
Operating lease charges	259,470	264,816

5 Auditors' remuneration

Fees payable to the company's auditor and its associates:	2015 £	2014 £
For audit services		
Audit of the company's financial statements	25,600	18,200
For other services		
All other non-audit services	5,185	3,550

6 Employees

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

	2015 Number	2014 Number
Number of operations staff	57	55
Number of administrative staff	11	11
Number of directors	9	9
	77	75

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,467,224	2,347,612
Social security costs	278,791	221,699
Pension costs	65,238	49,026
	2,811,253	2,618,337

7 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	607,927	549,291
Company pension contributions to defined contribution schemes	24,688	12,807
	632,615	562,098

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2014 - 7).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2015	2014
Remuneration for qualifying services	156,492	142,404

8 Interest receivable and similar income

	2015	2014
	£	£
Interest income		
Other interest income	7,712	-

9 Interest payable and similar charges

	2015	2014
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	11,733	40,900

10 Taxation

	2015	2014
	£	£
Current tax		
UK corporation tax on profits for the current period	259,785	195,362
Deferred tax		
Origination and reversal of timing differences	16,278	3,045
Total tax charge	276,063	198,407

10 Taxation (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015	2014
	£	£
Profit before taxation	1,147,089	947,357
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.49%)	232,286	203,587
Tax effect of expenses that are not deductible in determining taxable profit	5,992	1,022
Effect of change in corporation tax rate	(133)	(2,169)
Permanent capital allowances in excess of depreciation	20,412	9,597
Other non-reversing timing differences	29,519	(13,630)
Adjust closing deferred tax to average rate	(13,107)	-
Adjust opening deferred tax to average rate	1,094	-
Tax expense for the year	276,063	198,407

11 Dividends

	2015	2014
	£	£
Final paid	302,479	302,479
	302,479	302,479

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2015 and 31 December 2015	311,009
Amortisation and impairment	
At 1 January 2015	209,936
Amortisation charged for the year	15,550
At 31 December 2015	225,486
Carrying amount	
At 31 December 2015	85,523
At 31 December 2014	101,073

13 Tangible fixed assets

	Freehold property	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2015	1,300,000	951,656	548,769	178,362	2,978,787
Additions	-	23,499	23,175	64,041	110,715
Disposals	-	-	-	(58,592)	(58,592)
Revaluation	120,000	-	-	-	120,000
At 31 December 2015	1,420,000	975,155	571,944	183,811	3,150,910
Depreciation and impairment					
At 1 January 2015	-	740,991	461,281	105,173	1,307,445
Depreciation charged in the year	26,000	105,677	41,532	31,514	204,723
Eliminated in respect of disposals	-	-	-	(51,878)	(51,878)
Revaluation	(26,000)	-	-	-	(26,000)
At 31 December 2015	-	846,668	502,813	84,809	1,434,290
Carrying amount					
At 31 December 2015	1,420,000	128,487	69,131	99,002	1,716,620
At 31 December 2014	1,300,000	210,665	87,488	73,189	1,671,342

Land and buildings were revalued during 2015 by Primmer Olds LLP, Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If land and buildings had been valued on a historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2015	2014
	£	£
Cost	1,242,354	1,242,354
Accumulated depreciation	456,498	431,651
Carrying value	785,856	810,703

14 Fixed asset investments

	Notes	2015	2014
		£	£
Investments in subsidiaries	15	1	1

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares
	£
Cost or valuation	
At 1 January 2015 & 31 December 2015	1
Carrying amount	
At 31 December 2015	1
At 31 December 2014	1

15 Subsidiaries

These financial statements are separate company financial statements for Paul Murray Plc.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Miner's International Limited	England and Wales	Dormant	Ordinary	100.00	

16 Stocks

	2015	2014
	£	£
Finished goods and goods for resale	2,856,013	2,641,150

The total value of stock written off in the year is £41,165 (2014: £17,465).

17 Debtors

	2015	2014
Amounts falling due within one year:	£	£
Trade debtors	1,724,842	1,771,345
Other debtors	260,579	30,315
Prepayments and accrued income	348,772	152,217
	2,334,193	1,953,877

The total value of debtors written off in the year is £12,972 (2014: £43,105).

18 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	20	371,859	268,697
Trade creditors		617,433	507,241
Amounts due to fellow group undertakings		1	1
Corporation tax payable		259,789	195,362
Other taxation and social security		324,323	298,235
Accruals and deferred income		506,185	474,555
		2,079,590	1,744,091

Bank loan and overdrafts are secured by a debenture, and a first legal charge over the company's freehold land and buildings.

The bank loan expires on the 17 January 2023 and interest is charged per annum at 2% above the Bank of England base rate.

A balance of £nil (2014 - £158,194) owing to Barclays Bank Plc, in relation to invoice discounting facilities, is secured on the debtors to which it relates. This amount is included within bank overdrafts.

19 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans	20	120,719	492,985

Bank loans are secured by a debenture, and a first legal charge over the company's freehold land and buildings.

The bank loan expires on the 17 January 2023 and interest is charged per annum at 2% above the Bank of England base rate.

20 Borrowings

	2015 £	2014 £
Bank overdrafts	152,814	158,194
Bank loans	339,764	603,488
	492,578	761,682
Payable within one year	371,859	268,697
Payable after one year	120,719	492,985

20 Borrowings (Continued)

Bank loans are secured by a debenture, and a first legal charge over the company's freehold land and buildings as detailed in note 12.

The bank loan expires on the 17 January 2023 and interest is charged per annum at 2% above the Bank of England base rate.

21 *Provisions for liabilities*

	Notes	2015 £	2014 £
Deferred tax liabilities	22	105,014	88,736
		105,014	88,736

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:

Balances:	Liabilities 2015 £	Liabilities 2014 £
Accelerated capital allowances	831	4,557
Valuation of land & buildings	104,183	84,179
	105,014	88,736

Movements in the year:	2015 £
Liability at 1 January 2015	88,736
Charge to profit or loss	16,278
Liability at 31 December 2015	105,014

23 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 or loss in respect of defined contribution schemes was £65,238 (2014 - £49,026).

Contributions of £8,508 (2014 - £11,245) were outstanding at the year end and are included within accruals.

24 Share capital

	2015	2014
	£	£
Ordinary share capital		
Issued and fully paid		
49,538 Ordinary £1 shares - Class A shares of £1 each	49,538	49,538
18,500 Ordinary £1 shares - Class B shares of £1 each	18,500	18,500
31,962 Ordinary £1 shares - Class C shares of £1 each	31,962	31,962
	100,000	100,000

Each share is entitled to one vote in any circumstance. All classes of shares rank equally on a winding up of the company. Dividends on each class of share are voted separately. If any share of the A or B class is sold or ownership transferred, the share becomes a C ordinary share.

25 Operating lease commitments

Lessee

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	317,184	279,042
Between two and five years	392,898	542,566
	710,082	821,608

26 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, who are also directors, is as follows.

	2015	2014
	£	£
Aggregate compensation	689,238	549,291

During the year a loan of £225,000 (2014 - £nil) was made to Albermarle Properties Development Limited, a company whose directors are P Murray and M Murray. Interest of £7,712 (2014 - £nil) was received in respect of this loan. The outstanding loan balance at the year end was £225,000 (2014 - £nil) and is included in other debtors.

At the year end £1 (2014 - £1) was owed to the subsidiary company, Milner's International Limited. This is included within amounts owed to group undertakings.

27 Directors' transactions

Dividends paid to the company's directors amounted to £302,479 (2014 - £302,479).

28 Controlling party

The company is controlled by P T Murray and K J Murray, directors of the company, by virtue of their majority shareholding.

29 Cash generated from operations

	2015	2014
	£	£
Profit for the year	871,026	748,950
Adjustments for:		
Taxation	276,063	198,407
Finance costs	11,733	40,900
Investment income	(7,712)	-
(Gain)/loss on disposal of tangible fixed assets	(5,286)	2,493
Amortisation and impairment of intangible assets	15,550	15,550
Depreciation and impairment of tangible fixed assets	204,723	207,980
Movements in working capital:		
(Increase)/decrease in stocks	(214,863)	1,610,403
(Increase)/decrease in debtors	(380,316)	1,607,561
Increase/(decrease) in creditors	167,910	(2,060,947)
Cash generated from operations	938,828	2,371,297

30 Reconciliations on adoption of FRS 102

Reconciliation of equity

	At 1 Jan 2014	At 31 Dec 2014
	£	£
Equity as reported under previous UK GAAP	4,003,337	4,012,948
Deferred tax provision	(119,011)	(105,042)
Equity reported under FRS 102	3,884,326	3,907,906

Reconciliation of profit or loss

	2014
	£
Profit or loss as reported under previous UK GAAP	734,981
Deferred tax provision	13,969
Profit or loss reported under FRS 102	748,950

Notes to reconciliations on adoption of FRS 102

Freehold property revaluation

At 1 January 2014, fair value gains and losses on freehold properties of £595,055 were recognised directly in reserves under previous UK GAAP. Under FRS 102, those fair value gains and losses are recognised within a fair value reserve, together with an associated deferred tax liability of £119,011.