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**DAVID PLUCK (NORTH WEST) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 29 DECEMBER 2016**

**Company Registration No. 01477372 (England and Wales)**

# 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 DSG, Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL
<b>Auditor</b>	DSG Chartered Accountants 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 PERIOD ENDED 29 DECEMBER 2016**

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The directors present the strategic report and financial statements for the Period ended 29 December 2016.

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

The directors are delighted to report an increase in gross profit to £8,995,298 for the year ended 31 December 2016 (a 3.9% increase on the 2015 result). This increase in revenue has driven an associated year on year improvement in gross margin of £344,335 with this margin being delivered at a level consistent with 2015, on a combined OTC and FOBT basis, of 23%.

These results are particularly pleasing in light of the challenging high street environment which has adversely impacted several of our competitors.

Current year performance has benefitted from the launch of additional virtual channels which are now available in the majority of our shops and which we are confident will contribute to future sales growth. These channels have been supplemented by the launch of a new channel, The Racing Partnership ("TRP") which allows our customers to view and place bets on horse racing from countries such as South Africa and India together with both North and South America.

Self service betting terminals ("SSBTs") continue to be popular with many of our customers and are now included in all of our shops.

Current uncertainties at both macro and micro economic level are likely to present challenges to high street bookmakers over the short to medium term, with our customers facing competition for their discretionary spend. Based on recent historical results the directors believe the business is well placed to withstand these challenges and well placed to build upon the encouraging results delivered in 2016.

#### **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 effecting 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 number of betting shops operating at the 29th December 2016 was 40 (2015: 40). Financial results for the current year are outlined above together with the key factors contributing to 2016 performance. Management is confident that these results can be built upon in future years and continue to look for further shop based offerings to expand the services available to their customers which may drive increasing footfall and volumes of gross bets. In addition management continues to seek further opportunities to expand their portfolio of shops across the North West region.

# DAVID PLUCK (NORTH WEST) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 29 DECEMBER 2016**

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### **Key performance indicators**

The company strategy is based upon growing both top line betting volumes and delivering strong operating margins. Revenue and gross margin are therefore important KPIs monitored by management and are discussed above. The current year operating profit is £544,560 compared to the equivalent prior year result of £695,925. This reduction in current year profitability has been driven by an increase in current period overhead spend which, in part, reflects the continued investment in premises combined with costs associated with the enhanced television offering referred to above. Management is confident that these latter costs will be more than offset by increases in revenue in future periods as the services become more established.

On behalf of the board



Mr N Thompson  
**Director**  
22 June 2017

# DAVID PLUCK (NORTH WEST) LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 29 DECEMBER 2016**

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The directors present their annual report and financial statements for the Period ended 29 December 2016.

### Principal activities

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

### Directors

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

Mr D L Pluck  
Mr N Thompson

### Results and dividends

The results for the Period 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.

### Auditor

The auditor, DSG Chartered Accountants, is 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)**

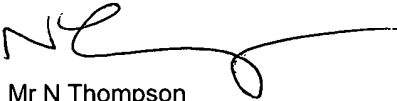
***FOR THE PERIOD ENDED 29 DECEMBER 2016***

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### **Statement of disclosure to auditor**

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

On behalf of the board



Mr N Thompson

**Director**

22 June 2017

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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We have audited the financial statements of David Pluck (North West) Limited for the Period ended 29 December 2016 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 29 December 2016 and of its profit for the Period 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 Period 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 MEMBER 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 DSG Chartered Accountants

22 June 2017

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# DAVID PLUCK (NORTH WEST) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 DECEMBER 2016

		Period ended 29 December 2016 £	Period ended 31 December 2015 £
	Notes		
Turnover	3	12,054,748	11,546,047
Cost of sales		(3,059,450)	(2,895,084)
<b>Gross profit</b>		<b>8,995,298</b>	<b>8,650,963</b>
Administrative expenses		(8,563,650)	(8,196,456)
Other operating income		112,912	241,107
<b>Operating profit</b>	4	<b>544,560</b>	<b>695,614</b>
Interest receivable and similar income	8	10,613	11,668
Interest payable and similar expenses	9	(15,060)	(28,999)
Amounts written off investments	10	34,081	(12,358)
<b>Profit before taxation</b>		<b>574,194</b>	<b>665,925</b>
Taxation	11	(155,097)	(186,097)
<b>Profit for the financial Period</b>		<b>419,097</b>	<b>479,828</b>

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

# DAVID PLUCK (NORTH WEST) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 DECEMBER 2016

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	Period ended 29 December 2016 £	Period ended 31 December 2015 £
Profit for the Period	419,097	479,828
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>419,097</u>	<u>479,828</u>

# DAVID PLUCK (NORTH WEST) LIMITED

## BALANCE SHEET

AS AT 29 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	13	5,163,779		5,049,529	
Investments	14	110,828		76,747	
		<u>5,274,607</u>		<u>5,126,276</u>	
<b>Current assets</b>					
Stocks	15	18,000		18,500	
Debtors	16	759,847		843,025	
Cash at bank and in hand		1,587,552		1,348,685	
		<u>2,365,399</u>		<u>2,210,210</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,854,569)</u>		<u>(1,617,037)</u>	
<b>Net current assets</b>			510,830		593,173
<b>Total assets less current liabilities</b>			<u>5,785,437</u>		<u>5,719,449</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(985,898)		(1,303,192)
<b>Provisions for liabilities</b>	20		(853,701)		(889,516)
<b>Net assets</b>			<u>3,945,838</u>		<u>3,526,741</u>
<b>Capital and reserves</b>					
Called up share capital	23		180		180
Share premium account			42,291		42,291
Capital redemption reserve			20		20
Profit and loss reserves			3,903,347		3,484,250
<b>Total equity</b>			<u>3,945,838</u>		<u>3,526,741</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2017 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 PERIOD ENDED 29 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		200	42,291	-	3,784,422	3,826,913
<b>Period ended 31 December 2015:</b>						
Profit and total comprehensive income for the period		-	-	-	479,828	479,828
Dividends	12	-	-	-	(780,000)	(780,000)
Redemption of shares	23	-	-	20	-	20
Reduction of shares	23	(20)	-	-	-	(20)
<b>Balance at 31 December 2015</b>		180	42,291	20	3,484,250	3,526,741
<b>Period ended 29 December 2016:</b>						
Profit and total comprehensive income for the period		-	-	-	419,097	419,097
<b>Balance at 29 December 2016</b>		180	42,291	20	3,903,347	3,945,838

# DAVID PLUCK (NORTH WEST) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 29 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	1,755,192		1,854,561	
Interest paid		(15,060)		(28,999)	
Income taxes (paid)/refunded		(156,538)		82,596	
<b>Net cash inflow from operating activities</b>		<u>1,583,594</u>		<u>1,908,158</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,231,896)		(830,171)	
Proceeds on disposal of tangible fixed assets		72,250		44,082	
Interest received		4,516		5,948	
Dividends received		6,097		5,720	
<b>Net cash used in investing activities</b>		<u>(1,149,033)</u>		<u>(774,421)</u>	
<b>Financing activities</b>					
Repayment of borrowings		(195,694)		(44,970)	
Dividends paid		-		(780,000)	
<b>Net cash used in financing activities</b>		<u>(195,694)</u>		<u>(824,970)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>238,867</u>		<u>308,767</u>	
Cash and cash equivalents at beginning of Period		1,348,685		1,039,918	
<b>Cash and cash equivalents at end of Period</b>		<u><u>1,587,552</u></u>		<u><u>1,348,685</u></u>	

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 DECEMBER 2016

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### 1 Accounting policies

#### Company information

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

#### 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.

#### 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 Period.

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

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

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

#### 1.4 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% RB and 25% SL
Office furniture and fittings	15% reducing balance
Motor vehicles	25% Straight line

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

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

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

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

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

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

#### 1.6 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.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

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



# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

#### **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.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

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

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

### 1.9 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.

### 1.10 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 PERIOD ENDED 29 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.11 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 1.15 for dilapidation provision details.

#### 1.12 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.

#### 1.13 Retirement benefits

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

#### 1.14 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.

#### 1.15 Dilapidations

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

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2016

### 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 1.15 above.

#### Useful economic life of tangible fixed assets

See note 1.4 above.

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
UK betting shops	12,054,748	11,546,047
<b>Other significant revenue</b>		
Interest income	4,516	5,948
Dividends received	6,097	5,720

### 4 Operating profit

	2016 £	2015 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,009,258	934,232
(Loss)/profit on disposal of tangible fixed assets	36,138	(771)
Amortisation of intangible assets	-	82,293
Operating lease charges	1,341,848	1,362,852

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

### 5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	20,000	20,000
<b>For other services</b>		
Taxation compliance services	10,000	10,000
All other non-audit services	13,213	12,355
	<u>23,213</u>	<u>22,355</u>

### 6 Employees

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

	2016 Number	2015 Number
Number of employees - Administration	164	170

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	4,626,502	4,373,005
Social security costs	225,440	205,722
Pension costs	15,748	45,618
	<u>4,867,690</u>	<u>4,624,345</u>

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	52,392	104,749

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

### 8 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	4,336	4,020
Other interest income	180	1,928
Total interest revenue	4,516	5,948
<b>Other income from investments</b>		
Dividends received	6,097	5,720
Total income	10,613	11,668

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,336	4,020
Dividends from financial assets measured at fair value through profit or loss	6,097	5,720

### 9 Interest payable and similar expenses

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	4,631	8,405
<b>Other finance costs:</b>		
Other interest	10,429	20,594
	15,060	28,999

### 10 Amounts written off investments

	2016 £	2015 £
Changes in the fair value of investments	34,081	(12,358)

### 11 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	190,912	156,548
Adjustments in respect of prior periods	-	(14,146)
Total current tax	190,912	142,402

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

### 11 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

(35,815)

43,695

Total tax charge

155,097

186,097

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

	2016 £	2015 £
Profit before taxation	574,194	665,925
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	114,839	133,185
Tax effect of expenses that are not deductible in determining taxable profit	1,194	6,394
Tax effect of income not taxable in determining taxable profit	(1,219)	-
Gains not taxable	(6,816)	-
Adjustments in respect of prior years	-	(14,146)
Effect of change in corporation tax rate	1,097	1,912
Depreciation on assets not qualifying for tax allowances	46,002	42,733
Amortisation on assets not qualifying for tax allowances	-	16,459
Tax at marginal rate	-	(440)
Taxation charge for the period	155,097	186,097

### 12 Purchase of own shares

	2016 £	2015 £
Purchase of own shares	-	780,000
	-	780,000

## DAVID PLUCK (NORTH WEST) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

#### 13 Tangible fixed assets

	Freehold buildings	Long leasehold buildings	Plant and machinery	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2016	2,535,002	1,569,585	4,581,283	4,130,207	137,468	12,953,545
Additions	587,681	13,256	475,359	142,803	12,797	1,231,896
Disposals	-	-	(134,000)	-	(55,696)	(189,696)
At 29 December 2016	3,122,683	1,582,841	4,922,642	4,273,010	94,569	13,995,745
<b>Depreciation and impairment</b>						
At 1 January 2016	948,930	965,149	2,953,286	2,951,517	85,134	7,904,016
Depreciation charged in the Period	125,177	116,699	567,520	183,667	16,195	1,009,258
Eliminated in respect of disposals	-	-	(31,708)	-	(49,600)	(81,308)
At 29 December 2016	1,074,107	1,081,848	3,489,098	3,135,184	51,729	8,831,966
<b>Carrying amount</b>						
At 29 December 2016	2,048,576	500,993	1,433,544	1,137,826	42,840	5,163,779
At 31 December 2015	1,586,072	604,436	1,627,997	1,178,690	52,334	5,049,529



# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2016

### 13 Tangible fixed assets

(Continued)

Freehold land and buildings with a carrying amount of £227,161 (2015 - £242,267) have been pledged to secure borrowings of the company.

### 14 Fixed asset investments

	2016 £	2015 £
Listed investments	110,828	76,747
<b>Listed investments included above:</b>		
Listed investments carrying amount	110,828	76,747

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2016	76,747
Valuation changes	34,081
At 29 December 2016	110,828
<b>Carrying amount</b>	
At 29 December 2016	110,828
At 31 December 2015	76,747

### 15 Stocks

	2016 £	2015 £
Finished goods and goods for resale	18,000	18,500

### 16 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Other debtors	163,729	137,862
Prepayments and accrued income	596,118	705,163
	759,847	843,025

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

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

	Notes	2016 £	2015 £
Other borrowings	19	369,600	248,000
Trade creditors		503,812	266,755
Corporation tax		190,922	156,548
Other taxation and social security		637,149	672,112
Other creditors		34,894	102,790
Accruals and deferred income		118,192	170,832
		<u>1,854,569</u>	<u>1,617,037</u>

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

	Notes	2016 £	2015 £
Other borrowings	19	<u>985,898</u>	<u>1,303,192</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.

### 19 Loans and overdrafts

	2016 £	2015 £
Other loans	<u>1,355,498</u>	<u>1,551,192</u>
Payable within one year	369,600	248,000
Payable after one year	<u>985,898</u>	<u>1,303,192</u>

### 20 Provisions for liabilities

	2016 £	2015 £
Dilapidations	655,500	655,500
Deferred tax liabilities	<u>21</u> 198,201	<u>234,016</u>
	<u>853,701</u>	<u>889,516</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 PERIOD ENDED 29 DECEMBER 2016

(Continued)

### 20 Provisions for liabilities

**Dilapidations**  
**£**

At 1 January 2016 and 29 December 2016 655,500

### 21 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:

	<b>Liabilities 2016 £</b>	<b>Liabilities 2015 £</b>
<b>Balances:</b>		
ACAs	198,201	234,016
	<u>198,201</u>	<u>234,016</u>
<b>Movements in the Period:</b>		<b>2016 £</b>
Liability at 1 January 2016		234,016
Credit to profit or loss		(35,815)
		<u>198,201</u>
Liability at 29 December 2016		<u>198,201</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.

### 22 Retirement benefit schemes

	<b>2016 £</b>	<b>2015 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	15,748	45,618
	<u>15,748</u>	<u>45,618</u>

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

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

### 23 Share capital

	2016 £	2015 £
<b>Ordinary share capital Issued and fully paid</b>		
180 Ordinary shares of £1 each	180	180

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

### 24 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated on various terms.

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:

	2016 £	2015 £
Within one year	805,473	785,308
Between two and five years	2,634,934	2,738,034
In over five years	1,751,600	2,348,139
	<u>5,192,007</u>	<u>5,871,481</u>

### 25 Related party transactions

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 £13,124 (2015 - £12,872). Interest received on this loan amounts to £448 (2015 - £658) for the period.

Creditors falling due with one year include loans owing to D L Pluck of £nil (2015 - £97,201). Included within other loans in creditors falling due after more than one year are loans owing to D L Pluck of £886,598 (2015 - £1,240,000). During the year loan interest of £4,632 (2015 - £6,716) was charged in respect of these loans.

As at the balance sheet date the amount owed by the company to the Dee Retirement Benefits Scheme is £468,644 (2015 - £311,192 ). This loan is disclosed £369,600 (2015 - £248,000) within other creditors falling within one year and £99,044 (2015 - £63,192 ) within other creditors falling due after one year. Interest of £10,429 (2015 - £20,594) was charged in respect of this loan.

Other debtors include an amount of £nil (2015 - £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 £181,500 (2015 - £183,475 ) was paid over to the Dee Retirement Benefit Scheme.

# DAVID PLUCK (NORTH WEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2016

### 26 Cash generated from operations

	2016 £	2015 £
Profit for the Period after tax	419,097	479,828
<b>Adjustments for:</b>		
Taxation charged	155,097	186,097
Finance costs	15,060	28,999
Investment income	(10,613)	(11,668)
Loss/(gain) on disposal of tangible fixed assets	36,138	(771)
Amortisation and impairment of intangible assets	-	82,293
Depreciation and impairment of tangible fixed assets	1,009,258	934,232
(Gain)/Loss on investments	(34,081)	12,358
(Decrease) in provisions	-	(21,000)
<b>Movements in working capital:</b>		
Decrease in stocks	500	400
Decrease in debtors	83,178	173,566
Increase/(decrease) in creditors	81,558	(9,773)
<b>Cash generated from operations</b>	<b>1,755,192</b>	<b>1,854,561</b>