

Company Registration No. 04477777 (England and Wales)

COMPANIES HOUSE
COPY

PLUMBCITY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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COMPANIES HOUSE

PLUMBCITY LIMITED

COMPANY INFORMATION

Directors	P Manby G Eldred S Wimbledon
Company number	04477777
Registered office	7 Commerce Way Whitehall Industrial Estate Colchester Essex CO2 8HR
Auditors	Beaumont Seymour 47 Butt Road Colchester Essex CO3 3BZ
Business address	7 Commerce Way Whitehall Industrial Estate Colchester Essex CO2 8HR

PLUMBCITY LIMITED

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PLUMBCITY LIMITED

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 the business

The directors are satisfied with the financial position of the business at the end of the financial year and intend that current trading levels are maintained in the immediate future.

The company's long-term strategy includes expansion of its network of branches, with further branches being opened across the region as profits are re-invested in the business.

Principal risks and uncertainties

The company has procedures to manage the major risks faced. Where possible, the board takes action to eliminate, reduce or mitigate specific risks through the adoption of appropriate strategies, the main emphasis being on the continuation of trading and maintenance of margins. This includes the maintenance of business continuity plans and monitoring of trade conditions.

Financial Risks

The company's operations expose it to a variety of financial risks, including credit exposure, liquidity and interest rates. The main risks arising from the company's trading operations can be analysed as follows:

Credit risk - The company's principal financial assets are stocks, trade debtors and bank balances, which represent the company's maximum exposure to credit risk in relation to financial assets. Risk is managed through internal monitoring processes and the use of credit checking agencies.

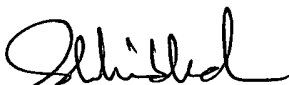
Liquidity risk - The company has substantial liquid funds in place and liquidity risk is considered very minimal for the foreseeable future.

Interest rate risk - The company has very limited exposure to interest rate risk as third party borrowings are insignificant.

Key performance indicators

The company's key performance indicators are turnover and profit margin. During the year turnover has increased by 16.6% from £22.34m in 2014 to £26.05m in 2015. Gross profit margin has decreased from 32.78% in 2014 to 31.48% in 2015.

On behalf of the board



S Wimbledon

Director

22 June 2016

PLUMBCITY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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 the sale of plumbing, heating and bathroom materials through its trade sales counters and bathroom showrooms.

Directors

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

P Manby
G Eldred
S Wimbledon

Results and dividends

The results for the year are set out on page 6.

A dividend was paid amounting to £460,000

Auditors

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

Statement of directors' responsibilities

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

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

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

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

PLUMBCITY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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



S Wimbledon

Director

22 June 2016

PLUMBCITY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLUMBCITY LIMITED

We have audited the financial statements of Plumbcity Limited for the year ended 31 December 2015 set out on pages 20 to 23. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

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

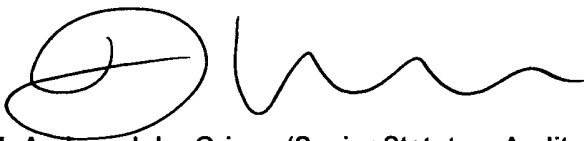
PLUMBCITY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PLUMBCITY LIMITED

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.



Mr Andrew John Griggs (Senior Statutory Auditor)
for and on behalf of Beaumont Seymour

22 June 2016

Chartered Accountants
Statutory Auditor

47 Butt Road
Colchester
Essex
CO3 3BZ

PLUMBCITY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	26,048,442	22,340,006
Cost of sales		(17,848,503)	(15,016,819)
Gross profit		8,199,939	7,323,187
Administrative expenses		(5,226,699)	(4,450,348)
Operating profit	4	2,973,240	2,872,839
Interest receivable and similar income	8	13,424	15,600
Interest payable and similar charges	9	(574)	(4)
Profit before taxation		2,986,090	2,888,435
Taxation	10	(615,095)	(643,453)
Profit for the financial year		2,370,995	2,244,982
Total comprehensive income for the year		2,370,995	2,244,982

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

PLUMBCITY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12	1,326,349		915,610	
Investments	13		3		3
		<u>1,326,352</u>		<u>915,613</u>	
Current assets					
Stocks	15	4,788,137		4,275,171	
Debtors	16	4,806,998		3,596,407	
Cash at bank and in hand		3,454,645		3,510,242	
		<u>13,049,780</u>		<u>11,381,820</u>	
Creditors: amounts falling due within one year	17	<u>(3,565,896)</u>		<u>(3,448,220)</u>	
Net current assets			9,483,884		7,933,600
Total assets less current liabilities			10,810,236		8,849,213
Provisions for liabilities	18		<u>(160,185)</u>		<u>(110,157)</u>
Net assets			<u>10,650,051</u>		<u>8,739,056</u>
Capital and reserves					
Called up share capital	21	100,000		100,000	
Profit and loss reserves		10,550,051		8,639,056	
Total equity			<u>10,650,051</u>		<u>8,739,056</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2016 and are signed on its behalf by:



S Wimbledon
Director

Company Registration No. 04477777

PLUMBCITY LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		100,000	6,751,574	6,851,574
Period ended 31 December 2014:				
Profit and total comprehensive income for the year		-	2,244,982	2,244,982
Dividends	11	-	(357,500)	(357,500)
Balance at 31 December 2014		100,000	8,639,056	8,739,056
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	2,370,995	2,370,995
Dividends	11	-	(460,000)	(460,000)
Balance at 31 December 2015		100,000	10,550,051	10,650,051

PLUMBCITY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	26	1,761,563		2,261,469	
Interest paid		(574)		(4)	
Income taxes paid		(620,000)		(625,000)	
Net cash inflow from operating activities		1,140,989		1,636,465	
Investing activities					
Purchase of tangible fixed assets		(741,950)		(566,862)	
Proceeds on disposal of tangible fixed assets		41,940		7,900	
Proceeds from other investments and loans		(50,000)		-	
Interest received		13,424		15,600	
Net cash used in investing activities		(736,586)		(543,362)	
Financing activities					
Dividends paid		(460,000)		(357,500)	
Net cash used in financing activities		(460,000)		(357,500)	
Net (decrease)/increase in cash and cash equivalents		(55,597)		735,603	
Cash and cash equivalents at beginning of year		3,510,242		2,774,639	
Cash and cash equivalents at end of year		3,454,645		3,510,242	

PLUMBCITY LIMITED

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

1 Accounting policies

Company information

Plumbcity Limited is a company limited by shares incorporated in England and Wales. The registered office is 7 Commerce Way, Whitehall Industrial Estate, Colchester, Essex, CO2 8HR.

1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Plumbcity Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements present information about the company as an individual entity and not about its group. Company's subsidiary undertakings remained dormant during the year.

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

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

PLUMBCITY LIMITED

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

1 Accounting policies

(Continued)

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:

Leasehold Improvements	10% Straight line
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	10% - 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.

1.5 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.

1.6 Impairment of fixed assets

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

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

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

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

PLUMBCITY LIMITED

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

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

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

PLUMBCITY LIMITED

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

1 Accounting policies

(Continued)

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.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

PLUMBCITY LIMITED

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

1 Accounting policies

(Continued)

1.10 Equity instruments

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

1.12 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, 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.

PLUMBCITY LIMITED

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

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

	2015 £	2014 £
Turnover		
Sales of goods	26,048,442	22,340,006

Other significant revenue

Interest income	13,424	15,600
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Turnover analysed by geographical market

	2015 £	2014 £
UK	26,048,442	22,340,006

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	288,382	232,371
Loss on disposal of tangible fixed assets	889	972
Cost of stocks recognised as an expense	17,848,503	15,016,819
Operating lease charges	369,596	313,658

PLUMBCITY LIMITED

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

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	7,130	6,920
For other services		
All other non-audit services	8,671	10,591

6 Employees

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

	2015 Number	2014 Number
Management	20	17
Administration	27	25
Staff	50	45
	97	87

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,873,534	2,417,662
Social security costs	260,247	224,990
Pension costs	23,586	12,986
	3,157,367	2,655,638

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	163,616	162,581
Company pension contributions to defined contribution schemes	6,141	7,281
	169,757	169,862

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

PLUMBCITY LIMITED

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

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	10,668	12,230
Other interest income	2,756	3,370
Total income	<u>13,424</u>	<u>15,600</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>10,668</u>	<u>12,230</u>
--	---------------	---------------

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Other interest	<u>574</u>	<u>4</u>

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	<u>565,067</u>	<u>575,879</u>
Deferred tax		
Origination and reversal of timing differences	64,396	67,574
Changes in tax rates	(14,368)	-
Total deferred tax	<u>50,028</u>	<u>67,574</u>
Total tax charge	<u>615,095</u>	<u>643,453</u>

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PLUMBCITY LIMITED

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

10 Taxation

(Continued)

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

	2015 £	2014 £
Profit before taxation	2,986,090	2,888,435
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	597,218	606,571
Tax effect of expenses that are not deductible in determining taxable profit	20,222	14,270
Effect of change in corporation tax rate	(7,487)	19,491
Depreciation on assets not qualifying for tax allowances	5,142	3,121
Tax expense for the year	615,095	643,453

11 Dividends

	2015 £	2014 £
Interim paid	460,000	357,500
	460,000	357,500

The company paid in total, dividends of £1,200,000 after the balance sheet date.

PLUMBCITY LIMITED

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

12 Tangible fixed assets

	Leasehold Improvements	Plant and machinery	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£	£
Cost					
At 1 January 2015	704,582	87,487	1,034,667	439,979	2,266,715
Additions	314,745	23,250	278,252	125,703	741,950
Disposals	-	(10,890)	-	(83,789)	(94,679)
At 31 December 2015	1,019,327	99,847	1,312,919	481,893	2,913,986
Depreciation and impairment					
At 1 January 2015	352,247	44,054	747,663	207,141	1,351,105
Depreciation charged in the year	90,508	8,897	108,393	80,584	288,382
Eliminated in respect of disposals	-	(4,274)	-	(47,576)	(51,850)
At 31 December 2015	442,755	48,677	856,056	240,149	1,587,637
Carrying amount					
At 31 December 2015	576,572	51,170	456,863	241,744	1,326,349
At 31 December 2014	352,335	43,433	287,004	232,838	915,610

13 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	25	3	3

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2015 & 31 December 2015	3
Carrying amount	
At 31 December 2015	3
At 31 December 2014	3

PLUMBCITY LIMITED

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

14 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,561,616	2,834,396
Equity instruments measured at cost less impairment	3	3
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	3,075,653	2,976,164
	<u> </u>	<u> </u>

15 Stocks

	2015 £	2014 £
Finished goods and goods for resale	4,788,137	4,275,171
	<u> </u>	<u> </u>

16 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	3,498,616	2,826,506
Other debtors	63,000	7,890
Prepayments and accrued income	1,245,382	762,011
	<u> </u>	<u> </u>
	4,806,998	3,596,407
	<u> </u>	<u> </u>

17 Creditors: amounts falling due within one year

	2015 £	2014 £
Notes		
Trade creditors	2,579,832	2,581,289
Corporation tax	220,062	274,995
Other taxation and social security	270,181	197,061
Other creditors	2,453	46,097
Accruals and deferred income	493,368	348,778
	<u> </u>	<u> </u>
	3,565,896	3,448,220
	<u> </u>	<u> </u>

18 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	160,185	110,157
	<u> </u>	<u> </u>
	160,185	110,157
	<u> </u>	<u> </u>

PLUMBCITY LIMITED

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

19 Deferred taxation

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

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	160,185	110,157
Movements in the year:		2015 £
Liability at 1 January 2015		110,157
Charge to profit or loss		50,028
Liability at 31 December 2015		160,185

20 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit and loss in respect of defined contribution schemes was £23,586 (2014 - £12,986).

21 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
2,500,000 Ordinary of 10p each	250,000	250,000
Issued and fully paid		
250,000 Ordinary 'A' of 10p each	25,000	25,000
750,000 Ordinary 'B' of 10p each	75,000	75,000
	100,000	100,000

22 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:

PLUMBCITY LIMITED

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

22 Operating lease commitments

(Continued)

	2015 £	2014 £
Between two and five years	203,200	179,800
In over five years	247,177	189,219
	<u>450,377</u>	<u>369,019</u>

23 Directors' transactions

Dividends totalling £427800 (2014 - £332475) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Loans	-	-	50,000	-	-	50,000
		-	50,000	-	-	50,000

24 Controlling party

The company is controlled by P Manby.

25 Subsidiaries

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 Indirect	
Gallery Bathrooms Limited	England & Wales	Dormant	Ordinary £1 shares	100.00	
Plumbclick Limited	England & Wales	Dormant	Ordinary £1 shares	100.00	
Plumbclick.co.uk Limited	England & Wales	Dormant	Ordinary £1 shares	100.00	

PLUMBCITY LIMITED

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

25 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Gallery Bathrooms Limited	-	1
Plumbclick Limited	-	1
Plumbclick.co.uk Limited	-	1

26 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	2,370,995	2,244,982
Adjustments for:		
Taxation charged	615,095	643,453
Finance costs	574	4
Investment income	(13,424)	(15,600)
Loss on disposal of tangible fixed assets	889	972
Depreciation and impairment of tangible fixed assets	288,382	232,371
Movements in working capital:		
(Increase) in stocks	(512,966)	(822,182)
(Increase) in debtors	(1,160,591)	(323,290)
Increase in creditors	172,609	300,759
Cash generated from operations	<u>1,761,563</u>	<u>2,261,469</u>