

COMPANIES HOUSE
COPY

PLUMBCITY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Company Registration No. 04477777 (England and Wales)

THURSDAY



A49BA9CZ

A25

11/06/2015

#285

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

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

PLUMBCITY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

The company increased its net profit margin during 2014, whilst increasing turnover.

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 12% from £19.93m in 2013 to £22.34m in 2014. Gross profit margin has increased from 31.74% in 2013 to 32.78% in 2014.

On behalf of the board



S Wimbledon

Director

9 June 2015

PLUMBCITY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities and review of the business

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.

Results and dividends

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

A dividend was paid amounting to £357,500

Directors

The following directors have held office since 1 January 2014:

P Manby
G Eldred
S Wimbledon

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 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;
- 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 2014

Statement of disclosure to auditors

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

On behalf of the board



S Wimbledon

Director

9 June 2015

PLUMBCITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUMBCITY LIMITED

We have audited the financial statements of Plumbcity Limited for the year ended 31 December 2014 set out on pages 6 to 18. 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 pages 2 - 3, 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 2014 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 matter prescribed by the Companies Act 2006

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

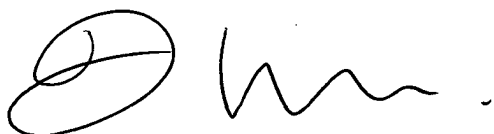
PLUMBCITY LIMITED

INDEPENDENT AUDITORS' 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

9 June 2015

Chartered Certified Accountants
Statutory Auditor

47 Butt Road
Colchester
Essex
CO3 3BZ

PLUMBCITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	22,340,006	19,925,683
Cost of sales		(15,016,819)	(13,600,554)
Gross profit		7,323,187	6,325,129
Administrative expenses		(4,450,348)	(3,944,971)
Operating profit	3	2,872,839	2,380,158
Other interest receivable and similar income	4	15,600	24,470
Interest payable and similar charges	5	(4)	(331)
Profit on ordinary activities before taxation		2,888,435	2,404,297
Tax on profit on ordinary activities	6	(643,453)	(578,739)
Profit for the year	16	2,244,982	1,825,558

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

There are no recognised gains and losses other than those passing through the profit and loss account.

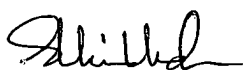
PLUMBCITY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	8	915,610		589,991	
Investments	9		3		3
		<u>915,613</u>		<u>589,994</u>	
Current assets					
Stocks	10	4,275,171		3,452,989	
Debtors	11	3,596,407		3,273,117	
Cash at bank and in hand		3,510,242		2,774,639	
		<u>11,381,820</u>		<u>9,500,745</u>	
Creditors: amounts falling due within one year	12	<u>(3,448,220)</u>		<u>(3,196,582)</u>	
Net current assets			7,933,600		6,304,163
Total assets less current liabilities			<u>8,849,213</u>		<u>6,894,157</u>
Provisions for liabilities	13		(110,157)		(42,583)
			<u>8,739,056</u>		<u>6,851,574</u>
Capital and reserves					
Called up share capital	15	100,000		100,000	
Profit and loss account	16	8,639,056		6,751,574	
Shareholders' funds	17	<u>8,739,056</u>		<u>6,851,574</u>	

Approved by the Board and authorised for issue on 9 June 2015



S Wimbledon
Director

Company Registration No. 04477777

PLUMBCITY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		2,261,469		1,960,701
Returns on investments and servicing of finance				
Interest received	15,600		24,470	
Interest paid	(4)		(331)	
Net cash inflow for returns on investments and servicing of finance		15,596		24,139
Taxation		(625,000)		(525,318)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(566,862)		(203,272)	
Payments to acquire investments	-		(2)	
Receipts from sales of tangible assets	7,900		15,959	
Net cash outflow for capital expenditure		(558,962)		(187,315)
Equity dividends paid		(357,500)		(880,500)
Net cash inflow before management of liquid resources and financing		735,603		391,707
Increase in cash in the year		735,603		391,707

PLUMBCITY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reconciliation of operating profit to net cash inflow from operating activities		2014	2013
		£	£
Operating profit		2,872,839	2,380,158
Depreciation of tangible assets		232,371	197,629
Loss on disposal of tangible assets		972	8,114
Increase in stocks		(822,182)	(334,120)
Increase in debtors		(323,290)	(781,499)
Increase in creditors within one year		300,759	490,419
Net cash inflow from operating activities		<u>2,261,469</u>	<u>1,960,701</u>
 2 Analysis of net funds			
	1 January 2014	Cash flow	Other non- 31 December
	£	£	cash changes 2014
Net cash:			£
Cash at bank and in hand	2,774,639	735,603	-
Bank deposits	-	-	-
Net funds	<u>2,774,639</u>	<u>735,603</u>	<u>-</u>
 3 Reconciliation of net cash flow to movement in net funds			
		2014	2013
		£	£
Increase in cash in the year		735,603	391,707
Movement in net funds in the year		<u>735,603</u>	<u>391,707</u>
Opening net funds		2,774,639	2,382,932
Closing net funds		<u>3,510,242</u>	<u>2,774,639</u>

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold Improvements	10% Straight line
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	10% - 25% Straight line
Motor vehicles	25% Reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	232,371	197,629
	Loss on disposal of tangible assets	972	8,114
	Operating lease rentals	313,658	285,942
		<u> </u>	<u> </u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's

annual accounts

Accountancy and taxation

6,920

6,785

10,951

10,899

17,871

17,684

4	Investment income	2014 £	2013 £
	Bank interest	12,230	21,182
	Other interest	3,370	3,288
		<u>15,600</u>	<u>24,470</u>

5	Interest payable	2014 £	2013 £
	Other interest	4	331
		<u> </u>	<u> </u>

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	575,879	579,116
	Total current tax	575,879	579,116
	Deferred tax		
	Deferred tax charge	67,574	(377)
		643,453	578,739
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,888,435	2,404,297
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	606,571	552,988
	Effects of:		
	Non deductible expenses	14,270	16,019
	Depreciation add back	49,002	47,321
	Capital allowances	(107,178)	(43,355)
	Other tax adjustments	13,214	6,143
		(30,692)	26,128
	Current tax charge for the year	575,879	579,116
7	Dividends	2014	2013
		£	£
	Ordinary interim paid	357,500	880,500

The company paid in total, dividends of £160,000 after the balance sheet date.

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

	Leasehold Improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2014	543,835	64,087	774,173	340,758	1,722,853
Additions	160,747	23,400	260,494	122,221	566,862
Disposals	-	-	-	(23,000)	(23,000)
At 31 December 2014	704,582	87,487	1,034,667	439,979	2,266,715
Depreciation					
At 1 January 2014	291,307	36,384	662,507	142,664	1,132,862
On disposals	-	-	-	(14,128)	(14,128)
Charge for the year	60,940	7,670	85,156	78,605	232,371
At 31 December 2014	352,247	44,054	747,663	207,141	1,351,105
Net book value					
At 31 December 2014	352,335	43,433	287,004	232,838	915,610
At 31 December 2013	252,528	27,703	111,666	198,094	589,991

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2014 & at 31 December 2014	3
Net book value	
At 31 December 2014	3
At 31 December 2013	3

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Gallery Bathrooms Limited	England & Wales	Ordinary	100.00
Plumbclick Limited	England & Wales	Ordinary	100.00
Plumbclick.co.uk Limited	England & Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
Gallery Bathrooms Limited	Dormant	1	-
Plumbclick Limited	Dormant	1	-
Plumbclick.co.uk Limited	Dormant	1	-

10 Stocks

	2014 £	2013 £
Finished goods and goods for resale	4,275,171	3,452,989

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Debtors	2014 £	2013 £
Trade debtors	2,826,506	2,490,154
Other debtors	7,890	77,054
Prepayments and accrued income	762,011	705,909
	<u>3,596,407</u>	<u>3,273,117</u>

12 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	2,581,289	2,220,789
Corporation tax	274,995	324,116
Other taxes and social security costs	197,061	228,966
Other creditors	46,097	55,531
Accruals and deferred income	348,778	367,180
	<u>3,448,220</u>	<u>3,196,582</u>

The Company's bankers hold a fixed and floating security charge over the Company's assets.

13 Provisions for liabilities	Deferred tax liability £
Balance at 1 January 2014	42,583
Profit and loss account	67,574
Balance at 31 December 2014	<u>110,157</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>110,157</u>	<u>42,583</u>

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

14 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the year	12,986	7,462

15 Share capital

	2014 £	2013 £
Allotted, called up 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

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	6,751,574
Profit for the year	2,244,982
Dividends paid	(357,500)
Balance at 31 December 2014	8,639,056

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

17 Reconciliation of movements in Shareholders' funds	2014 £	2013 £
Profit for the financial year	2,244,982	1,825,558
Dividends	(357,500)	(880,500)
Net addition to shareholders' funds	1,887,482	945,058
Opening Shareholders' funds	6,851,574	5,906,516
Closing Shareholders' funds	8,739,056	6,851,574

18 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Between two and five years	179,800	133,200
In over five years	189,219	187,876
	369,019	321,076

19 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	162,581	125,340
Company pension contributions to defined contribution schemes	7,281	4,925
	169,862	130,265

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

20 Control

The company is controlled by P Manby.

PLUMBCITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Management	17	15
Administration	25	20
Staff	45	39
	<u>87</u>	<u>74</u>

Employment costs

	2014 £	2013 £
Wages and salaries	2,106,691	1,866,551
Staff bonuses	310,971	295,432
Social security costs	224,990	220,087
Other pension costs	12,986	7,462
	<u>2,655,638</u>	<u>2,389,532</u>

22 Related party relationships and transactions

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2014 £	2013 £
G Eldred	28,600	60,200
P Manby	214,500	451,500
S Wimbledon	89,375	288,125
	<u>332,475</u>	<u>799,825</u>