

PENKETH'S LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st December 2012

Company Registration Number 1287607



MITCHELL CHARLESWORTH
Chartered Accountants
CH1 2AU

PENKETH'S LIMITED

Abbreviated Accounts

Year ended 31st December 2012

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PENKETH'S LIMITED

The Directors' Report

Year ended 31st December 2012

The directors present their report and the financial statements of the company for the year ended 31st December 2012

Principal activities and business review

The principal activity of the company during the year was that of commercial retailing of stationery and office furniture. The company also trades in office machines, printing and audio visual equipment.

The directors were pleased with the results which showed a 38% increase in pre-tax profits.

Results and dividends

The profit for the year, after taxation, amounted to £460,029. Particulars of dividends paid are detailed in note 10 to the financial statements.

Financial risk management objectives and policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements.

Directors

The directors who served the company during the year were as follows:

S W Penketh
M S Penketh
A J Penketh
P A Mann
D J Finn

Auditor

Mitchell Charlesworth are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
Penketh's Limited
2 Bassendale Road
Croft Business Park
Bromborough
Wirral
CH62 3QL

Signed by order of the directors



S W Penketh
Company Secretary

Approved by the directors on 07/05/2013

PENKETH'S LIMITED

Statement of Directors' Responsibilities

Year ended 31st December 2012

The directors are responsible for preparing the 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 year.

In preparing those 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Mitchell Charlesworth

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Auditor's Report to Penketh's Limited

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Penketh's Limited for the year ended 31st December 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



MR D DARLINGTON (Senior
Statutory Auditor)
For and on behalf of
MITCHELL CHARLESWORTH
Chartered Accountants
Statutory Auditor

24 Nicholas Street
Chester
CH1 2AU

07/05/2013

PENKETH'S LIMITED

Abbreviated Profit and Loss Account

Year ended 31st December 2012

	Note	2012 £	2011 £
Turnover		10,531,154	10,333,839
Cost of Sales and Other operating income		7,339,570	7,269,589
Administrative expenses		2,572,266	2,609,077
Operating profit	2	<u>619,318</u>	<u>455,173</u>
Income from fixed asset investments	5	1,380	2,478
Interest receivable	6	40	73
Interest payable and similar charges	7	(14,979)	(17,805)
Profit on ordinary activities before taxation		<u>605,759</u>	<u>439,919</u>
Tax on profit on ordinary activities	8	145,730	103,556
Profit for the financial year		<u><u>460,029</u></u>	<u><u>336,363</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 17 form part of these abbreviated accounts

PENKETH'S LIMITED

Abbreviated Balance Sheet

31st December 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	10	93,438	148,687
Tangible assets	11	1,025,727	1,055,501
Investments	12	75,565	75,565
		<u>1,194,730</u>	<u>1,279,753</u>
Current assets			
Stocks	13	216,654	199,361
Debtors	14	2,109,491	1,657,197
Cash at bank and in hand		28,105	107,521
		<u>2,354,250</u>	<u>1,964,079</u>
Creditors: Amounts falling due within one year	15	<u>2,103,321</u>	<u>1,808,403</u>
Net current assets		250,929	155,676
Total assets less current liabilities		<u>1,445,659</u>	<u>1,435,429</u>
Creditors: Amounts falling due after more than one year	16	123,873	250,338
Provisions for liabilities			
Deferred taxation	17	11,940	8,114
		<u>1,309,846</u>	<u>1,176,977</u>
Capital and reserves			
Called-up equity share capital	20	12,004	12,004
Other reserves	21	3,000	3,000
Profit and loss account	22	1,294,842	1,161,973
Shareholders' funds	23	<u>1,309,846</u>	<u>1,176,977</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 01/05/2013 and are signed on their behalf by

S W Penketh

Company Registration Number 1287607

The notes on pages 7 to 17 form part of these abbreviated accounts.

PENKETH'S LIMITED

Cash Flow Statement

Year ended 31st December 2012

	Note	2012 £	£	2011 £	£
Net cash inflow from operating activities	24		531,887		716,437
Returns on investments and Servicing of finance					
Income from other fixed asset investments		1,380		2,478	
Interest received		40		73	
Interest paid		<u>(14,979)</u>		<u>(17,805)</u>	
Net cash outflow from returns on investments and servicing of finance			(13,559)		(15,254)
Taxation			(107,802)		(107,710)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		—		(39,000)	
Payments to acquire tangible fixed assets		(39,131)		(34,947)	
Receipts from sale of fixed assets		2,809		3,719	
Acquisition of investments		<u>—</u>		<u>(12,449)</u>	
Net cash outflow for capital expenditure and financial investment			(36,322)		(82,677)
Equity dividends paid			(327,160)		(360,320)
Cash inflow before financing			<u>47,044</u>		<u>150,476</u>
Financing					
Repayment of bank loans		(66,462)		(63,371)	
Net outflow from other long-term creditors		<u>(60,000)</u>		<u>(50,000)</u>	
Net cash outflow from financing			(126,462)		(113,371)
(Decrease)/increase in cash	25		<u>(79,418)</u>		<u>37,105</u>

The notes on pages 7 to 17 form part of these abbreviated accounts

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Goodwill

Intangible fixed assets including purchased goodwill are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is only reviewed where circumstances indicate that the carrying value of the asset may not be fully recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - straight line over 4 years

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	straight line over 125 years
Plant & Machinery	-	20% on reducing balance
Motor Vehicles	-	20% on cost
Computer Equipment	-	25% on cost

Stock

Stock is valued at the lower of average cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Amortisation of intangible assets	55,249	49,563
Depreciation of owned fixed assets	65,233	72,820
Loss on disposal of fixed assets	863	10,350
Auditor's remuneration		
- as auditor	10,100	9,620
Operating lease costs		
- Plant and equipment	<u>162,191</u>	<u>155,540</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of administrative staff	32	31
Number of management staff	5	5
Number of sales staff	11	10
Number of warehouse staff	20	21
	<u>68</u>	<u>67</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	1,439,895	1,465,769
Social security costs	138,589	143,819
Other pension costs	94,130	91,770
	<u>1,672,614</u>	<u>1,701,358</u>

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	173,990	183,440
Value of company pension contributions to money purchase schemes	75,209	72,723
	<u>249,199</u>	<u>256,163</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>5</u>	<u>5</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

5. Income from fixed asset investments

	2012	2011
	£	£
Other dividend income	1,463	2,688
Profit/(loss) in share dealings	(83)	(210)
	<u>1,380</u>	<u>2,478</u>

6. Interest receivable

	2012	2011
	£	£
Building society interest receivable	<u>40</u>	<u>73</u>

7. Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	546	282
Other similar charges payable	14,433	17,523
	<u>14,979</u>	<u>17,805</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24 50% (2011 - 26%)	141,904	107,802
Total current tax	141,904	107,802
Deferred tax		
Origination and reversal of timing differences	3,826	(4,246)
Tax on profit on ordinary activities	<u>145,730</u>	<u>103,556</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

8. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24.50% (2011 - 26%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>605,759</u>	<u>439,919</u>
Profit on ordinary activities by rate of tax	148,411	114,379
Depreciation in excess of capital allowances	(3,296)	3,096
Amounts not deductible for tax purposes	7,061	5,026
Adjustment in respect of earlier periods	-	15
Other	(17)	2,155
Marginal relief	(9,897)	(16,120)
Exempt dividend income	(358)	(749)
Total current tax (note 8(a))	<u>141,904</u>	<u>107,802</u>

9. Dividends

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>327,160</u>	<u>360,320</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2012 and 31st December 2012	<u>221,000</u>
Amortisation	
At 1st January 2012	72,313
Charge for the year	55,249
At 31st December 2012	<u>127,562</u>
Net book value	
At 31st December 2012	<u>93,438</u>
At 31st December 2011	<u>148,687</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

11. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Computer Equipment £	Website £	Total £
Cost					
At 1 January 2012	1,039,639	192,064	149,941	129,574	1,511,218
Additions	–	13,841	25,290	–	39,131
Disposals	–	(11,409)	(31,452)	–	(42,861)
At 31 December 2012	<u>1,039,639</u>	<u>194,496</u>	<u>143,779</u>	<u>129,574</u>	<u>1,507,488</u>
Depreciation					
At 1 January 2012	109,017	126,398	120,105	100,197	455,717
Charge for the year	8,317	13,054	14,485	29,377	65,233
On disposals	–	(7,906)	(31,283)	–	(39,189)
At 31 December 2012	<u>117,334</u>	<u>131,546</u>	<u>103,307</u>	<u>129,574</u>	<u>481,761</u>
Net book value					
At 31 December 2012	<u>922,305</u>	<u>62,950</u>	<u>40,472</u>	<u>–</u>	<u>1,025,727</u>
At 31 December 2011	<u>930,622</u>	<u>65,666</u>	<u>29,836</u>	<u>29,377</u>	<u>1,055,501</u>

National Westminster Bank PLC holds security in the form of a 1st legal charge over the leasehold property known as 4 Bassendale Road, Bromborough included above

Barclays Bank PLC holds security in the form of a legal charge over the leasehold properties known as Unit 2 and 4 Bassendale Road, Bromborough included above

12. Investments

Listed and unlisted investments

	£
Cost	
At 1st January 2012 and 31st December 2012	<u>75,565</u>
Net book value	
At 31st December 2012 and 31st December 2011	<u>75,565</u>

Listed investments

Listed investments having a net book value of £61,660 (2011 - £61,660) are held by the company and had a market value of £49,819 at the end of the year (2011 - £39,278)

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

13. Stock

	2012 £	2011 £
Stock	<u>216,654</u>	<u>199,361</u>

14. Debtors

	2012 £	2011 £
Trade debtors	1,962,610	1,549,948
Other debtors	211	—
Directors' current accounts	2,026	—
Prepayments and accrued income	144,644	107,249
	<u>2,109,491</u>	<u>1,657,197</u>

15. Creditors: Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdraft	80,897	80,892
Trade creditors	1,490,329	1,139,883
Corporation tax	141,904	107,802
Other taxation and social security	232,257	174,615
Other creditors	—	60,000
Directors' current accounts	83,116	152,556
Accruals and deferred income	74,818	92,655
	<u>2,103,321</u>	<u>1,808,403</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Bank loans and overdraft	<u>80,897</u>	<u>80,892</u>

16. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Bank loans and overdraft	123,873	190,338
Other creditors	—	60,000
	<u>123,873</u>	<u>250,338</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

16. Creditors: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012 £	2011 £
Bank loans and overdraft	<u>123,873</u>	<u>190,338</u>

17. Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	8,114	12,360
Profit and loss account movement arising during the year	<u>3,826</u>	<u>(4,246)</u>
Provision carried forward	<u>11,940</u>	<u>8,114</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	11,940	9,614
Tax losses available	<u>-</u>	<u>(1,500)</u>
	<u>11,940</u>	<u>8,114</u>

18. Commitments under operating leases

At 31st December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	12,675	-	40,488
Within 2 to 5 years	<u>8,500</u>	<u>63,543</u>	<u>8,500</u>	<u>106,043</u>
	<u>8,500</u>	<u>76,218</u>	<u>8,500</u>	<u>146,531</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

19. Related party transactions

Included within debtors are amounts owed to the company by directors P A Mann £28 (2011 - £nil) and D J Finn £2,000 (2011 - £nil) which were repaid in full within 9 months of the year end. The loans bear no rights to interest.

Included within creditors are amounts owed by the company to directors S W Penketh £29,348 (2011 - £51,377), M S Penketh £24,510 (2011 - £50,596) and A J Penketh £29,258 (2011 - £50,583). The loans bear no rights to interest.

During the year the company paid dividends of £74,250 (2011 - £84,375) each to directors S W Penketh, M S Penketh and A J Penketh.

20. Share capital

Authorised share capital:

	2012	2011
	£	£
15,000 Ordinary shares of £1 each	15,000	15,000
4 Ordinary Class 'A' - 'D' shares of £1 each	4	4
	<u>15,004</u>	<u>15,004</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
12,000 Ordinary shares of £1 each	12,000	12,000	12,000	12,000
4 Ordinary Class 'A' - 'D' shares of £1 each	4	4	4	4
	<u>12,004</u>	<u>12,004</u>	<u>12,004</u>	<u>12,004</u>

21. Other reserves

	2012	2011
	£	£
Capital redemption reserve	<u>3,000</u>	<u>3,000</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

22. Profit and loss account

	2012	2011
	£	£
Balance brought forward	1,161,973	1,185,930
Retained profit for the financial year	460,029	336,363
Equity dividends	(327,160)	(360,320)
Balance carried forward	<u>1,294,842</u>	<u>1,161,973</u>

23. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	460,029	336,363
Equity dividends	(327,160)	(360,320)
Net addition/(reduction) to shareholders' funds	132,869	(23,957)
Opening shareholders' funds	1,176,977	1,200,934
Closing shareholders' funds	<u>1,309,846</u>	<u>1,176,977</u>

24. Reconciliation of operating profit to net cash inflow from operating activities

	2012	2011
	£	£
Operating profit	619,318	455,173
Amortisation	55,249	49,563
Depreciation	65,233	72,820
Loss on disposal of fixed assets	863	10,350
(Increase)/decrease in stocks	(17,293)	10,867
(Increase)/decrease in debtors	(452,294)	579,606
Increase/(decrease) in creditors	260,811	(461,942)
Net cash inflow from operating activities	<u>531,887</u>	<u>716,437</u>

PENKETH'S LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2012

25. Reconciliation of net cash flow to movement in net debt

	2012		2011	
	£	£	£	£
(Decrease)/increase in cash in the period	(79,418)		37,105	
Net cash outflow from bank loans	66,462		63,371	
Net cash outflow from other long-term creditors	<u>60,000</u>		<u>50,000</u>	
		47,044		150,476
Change in net debt		47,044		150,476
Net debt at 1 January 2012		<u>(223,709)</u>		<u>(374,185)</u>
Net debt at 31 December 2012		<u>(176,665)</u>		<u>(223,709)</u>

26. Analysis of changes in net debt

	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Net cash			
Cash in hand and at bank	107,521	(79,416)	28,105
Overdrafts	<u>—</u>	<u>(2)</u>	<u>(2)</u>
	107,521	(79,418)	28,103
Debt			
Debt due within 1 year	(80,892)	(3)	(80,895)
Debt due after 1 year	<u>(250,338)</u>	<u>126,465</u>	<u>(123,873)</u>
	(331,230)	126,462	(204,768)
Net debt	<u>(223,709)</u>	<u>47,044</u>	<u>(176,665)</u>