

Dacre, Son & Hartley Limited

**Unaudited report and financial
statements**

Registered number 03090769

31 October 2017



Contents

Directors' report	3
Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements	4
Chartered Accountants' report to the Board of Directors on compilation of the unaudited statutory financial statements of Dacre, Son and Hartley Limited	5
Profit and Loss Account and Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes	9

Directors' report

The directors present their annual report and the unaudited financial statements for the year ended 31 October 2017.

1 Approved Dividend

The results for the year are shown in the profit and loss account on page 6. A final dividend of £0.50 per share (2016: £0.50 per share) was approved prior to the year end and paid in December 2017.

2 Research and development

The Company had no research and development expenditure in the current year or prior year.

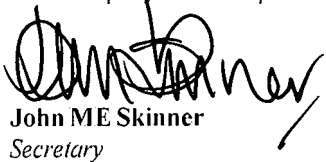
3 Directors

The directors who held office during and at the end of the financial year were as follows:

JJ Isles	<i>Managing Director</i>
DJ Scarborough	
JD Phillip	<i>Resigned 19 January 2018</i>
IG Cox	
DWS Ogilvie	
PJ McCutcheon	
IJ Bradbury	
JME Skinner	<i>Company Secretary</i>
PF Leadbeater	
S Potts	
AC Peacock	<i>Resigned 10 September 2017</i>
PD Baxter	
T Usherwood	
PK Wilson	
TAJ Waring	

4 Political contributions

The Company made no political donations or incurred any political expenditure during the year.


John ME Skinner
Secretary

1-5 The Grove
Ilkley
LS29 9HS

25 April 2018

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Chartered Accountants' report to the Board of Directors on compilation of the unaudited statutory financial statements of Dacre, Son and Hartley Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have compiled for your approval the financial statements of Dacre, Son and Hartley Limited (the Company) for the year ended 31 October 2017 which comprise Balance Sheet and the Profit and Loss Account, Statement of Other Comprehensive Income, Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

This report is made solely to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile, for approval by the Company's Board of Directors, the financial statements that we have been engaged to compile, report to the Company's Board of Directors, as a body, that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work, or for this report.

We performed our work having regard to guidance in Technical Release TECH07/16AAF *Chartered accountants' reports on the compilation of financial statements of incorporated entities* issued by the Institute of Chartered Accountants in England and Wales (ICAEW). As a member firm of the ICAEW, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance.

You have acknowledged your duty to ensure that Dacre, Son and Hartley Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit/loss of the Company, and for electing to prepare the financial statements in accordance with UK Accounting Standards, Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit or a review of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

KPMG LLP

KPMG LLP

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

26 April 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 October 2017

	<i>Note</i>	2017 £	2016 £
Turnover		7,010,805	6,577,531
Operating costs		(6,098,127)	(5,843,042)
Operating profit	3	912,678	734,489
Interest receivable and similar income	6	68,218	67,105
Interest payable and similar charges	7	(9,708)	(8,940)
Profit on ordinary activities before taxation		971,188	792,654
Tax on profit on ordinary activities	8	(197,601)	(170,271)
Profit for the financial year		773,587	<u>622,383</u>

There is no other comprehensive income during the accounting period. The above result is all derived from continuing activities.

There is no material difference between the result for the year as disclosed in the profit and loss account and that as given on a historical cost basis.

The notes on pages 9 to 18 form part of the financial statements.

Balance Sheet
as at 31 October 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	10	872,680	844,036
Investment property	11	100,000	100,000
Investments	12	102	102
		<hr/>	<hr/>
		972,782	944,138
Current assets			
Debtors (including £54,000 (2016: £54,000) due after one year)	13	903,431	988,856
Cash at bank and in hand		1,727,489	1,559,408
		<hr/>	<hr/>
		2,630,920	2,548,264
Creditors: amounts falling due within one year	14	(1,103,632)	(1,106,966)
Net current assets		1,527,288	1,441,998
Total assets less current liabilities		2,500,070	2,385,436
Creditors: amounts falling due after more than one year	15	(202,999)	(230,066)
Provisions for liabilities and charges	16	(32,618)	(33,231)
Net assets		2,264,453	2,122,139
Capital and reserves			
Called up share capital	17	86,157	86,157
Capital redemption reserve	18	45,593	45,593
Profit and loss account	18	2,132,703	1,990,389
Equity shareholders' funds		2,264,453	2,122,139

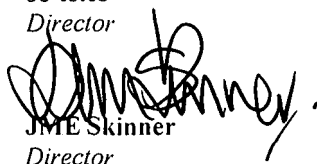
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 25 April 2018 and were signed on its behalf by:



JJ Isles
Director


JME Skinner
Director

Statement of Changes in Equity

for the year ended 31 October 2017

	Called up Share capital £	Capital redemption reserve £	Profit & loss account £	Total equity £
Balance at 1 November 2015	86,157	45,593	2,019,502	2,151,252
Total comprehensive income for the period				
Profit for the year	-	-	622,383	622,383
Total comprehensive income for the period	-	-	622,383	622,383
Transactions with owners, recorded directly in equity				
Dividends	-	-	(651,496)	(651,496)
Total contributions by and distributions to owners	-	-	(651,496)	(651,496)
Balance at 31 October 2016	86,157	45,593	1,990,389	2,122,139

	Called up Share capital £	Capital redemption reserve £	Profit & loss account £	Total equity £
Balance at 1 November 2016	86,157	45,593	1,990,389	2,122,139
Total comprehensive income for the period				
Profit for the year	-	-	773,587	773,587
Total comprehensive income for the period	-	-	773,587	773,587
Transactions with owners, recorded directly in equity				
Dividends	-	-	(631,273)	(631,273)
Total contributions by and distributions to owners	-	-	(631,273)	(631,273)
Balance at 31 October 2017	86,157	45,593	2,132,703	2,264,453

Notes

(forming part of the financial statements)

1 Accounting policies

Dacre, Son & Hartley Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

Measurement convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The financial statements have been approved on the assumption that the Company remains a going concern. The following paragraphs summarise the issues and basis on which the directors have reached their conclusion.

In the year the Company has generated a profit after tax of £773,587 resulting in a year end net asset position of £2,264,453. The directors have prepared forecasts that demonstrate that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis for the preparation of the financial statements.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Commission and fees on sales of residential and commercial properties are recognised as earned when the contract for sale is exchanged. Other professional fees are recognised as earned when the work is completed. Rental income is recognised on a straight line basis over the lease term.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account, evenly over the estimated useful lives of each part of an item of tangible fixed assets. It is calculated at the following rates:

Freehold buildings	-	2% per annum
Leasehold buildings	-	2% per annum
Motor vehicles	-	25 % per annum
Computer hardware	-	33% per annum
Fixtures, fittings, tools and equipment	-	15% per annum

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis of the term of the lease.

Notes (continued)

1 Accounting policies (continued)

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs

Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

3 Expenses and auditor's remuneration

	2017 £	2016 £
Included in profit/loss are the following:		
Depreciation and other amounts written off tangible fixed assets:		
Owned	99,851	126,964
Hire of plant and machinery – operating leases	140,190	130,095
Hire of other assets – operating leases	342,380	334,235
	<hr/>	<hr/>
Auditor's remuneration:		
	2017 £	2016 £
Audit of these financial statements	-	19,400
Amounts receivable by auditor and their associates in respect of:		
Other services relating to taxation	-	3,600
	<hr/>	<hr/>

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Sales	99	104
Administration	18	18
	<hr/>	
	117	122
	<hr/>	

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	3,056,778	2,855,948
Social security costs	275,274	252,413
Contributions to defined contribution plans	21,796	20,225
	<hr/>	<hr/>
	3,353,848	3,128,586
	<hr/>	<hr/>

5 Directors' remuneration

	2017	2016
	£	£
Directors' remuneration	362,049	386,903
Company contributions to money purchase pension schemes	6,341	6,317
	<hr/>	<hr/>

The aggregate of emoluments of the highest paid director was £63,814 (2016: £63,637), and company contributions of £391 (2016: £372) were made to a money purchase scheme on his behalf.

Individual private pension plans are run by the directors and contributions to the scheme are recognised in the profit and loss account when paid. 15 (2016: 16) directors have had contributions paid into a money purchase pension scheme in the year by the company.

6 Interest receivable and similar income

	2017	2016
	£	£
Other interest receivable	21,870	11,728
Rents receivable	46,348	55,377
	<hr/>	<hr/>
	68,218	67,105
	<hr/>	<hr/>

Notes (continued)

7 Interest payable and similar charges

	2017 £	2016 £
Finance lease interest	-	545
Other interest	9,708	8,395
	<u>9,708</u>	<u>8,940</u>

8 Taxation

	2017 £	2016 £
<i>Current tax</i>		
Current tax on income for the year	196,710	168,436
Adjustment in respect of previous periods	1,504	(1,377)
Total current tax	<u>198,214</u>	<u>167,059</u>
<i>Deferred tax (see note 16)</i>		
Origination and reversal of timing differences	3,828	4,338
Effect of tax rate change on opening balances	-	(1,699)
Adjustment in respect of previous periods	(4,441)	573
Total deferred tax	<u>(613)</u>	<u>3,212</u>
Total tax	<u><u>197,601</u></u>	<u><u>170,271</u></u>

Reconciliation of effective tax rate

	2017 £	2016 £
Profit on ordinary activities after tax	773,587	622,383
Total tax expense	197,601	170,271
Profit excluding taxation	<u>971,188</u>	<u>792,654</u>
Tax using the UK corporation tax rate of 19.41% (2016: 20%)	188,544	158,531
Fixed asset differences	11,154	13,864
Expenses not deductible for tax purposes	1,384	1,354
Income not taxable for tax purposes	-	(416)
Adjustment to tax charge in respect of previous periods	1,504	(1,377)
Adjust opening and closing deferred to average rate	(543)	-
Other differences	(1)	207
Adjustments to tax charge in respect of previous periods - deferred tax	(4,441)	573
Effect of rate change on deferred tax	-	(2,465)
Total tax expense included in profit or loss	<u><u>197,601</u></u>	<u><u>170,271</u></u>

Notes (continued)

8 Taxation (continued)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2016) were substantively enacted on 2 July 2013. In the Budget on 8 July 2016, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 October 2017 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

9 Dividends

	2017 £	2016 £
Equity shares:		
Dividend	631,273	651,496
	<u> </u>	<u> </u>

10 Tangible fixed assets

	Freehold buildings £	Leasehold buildings £	Fixtures, fittings tools and equipment £	Total £
<i>Cost</i>				
Balance at 1 November 2016	1,057,549	15,000	1,865,300	2,937,849
Additions	-	-	128,495	128,495
Disposals	-	-	(30,161)	(30,161)
 Balance at 31 October 2017	 1,057,549	 15,000	 1,963,134	 3,036,183
<i>Depreciation</i>				
Balance at 1 November 2016	434,821	11,000	1,647,992	2,093,813
Depreciation charge for year	30,678	1,000	68,173	99,851
Depreciation on disposals	-	-	(30,161)	(30,161)
 Balance at 31 October 2017	 465,499	 12,000	 1,686,004	 2,163,503
<i>Net book value</i>				
At 31 October 2017	592,050	3,000	277,630	872,680
 At 31 October 2016	 622,728	 4,000	 217,308	 844,036
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

11 Investment property

	2017 £	2016 £
Balance at 1 November	100,000	100,000
Net gain/(loss) from fair value adjustments	-	-
	<hr/>	<hr/>
Balance at 31 October	100,000	100,000
	<hr/>	<hr/>
Historical cost net book value	37,527	37,527
	<hr/>	<hr/>

The investment property fair value is based on a 2016 valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. There has been no revaluation of the property since 2016 as management believes the market conditions at the location of the property have not significantly changed.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the recognition of income accounting policy.

12 Investments

Company	£
At 1 November 2016	102
	<hr/>
At 31 October 2017	102
	<hr/>

The company has a 100% investment in the ordinary share capital of Purely Mortgage Consultants Limited (formerly Dacre, Son & Hartley Financial Services Limited), 1-5 The Grove, Ilkley, West Yorkshire, LS29 9HS. The company is incorporated in England and its principal activity is the referral of financial services opportunities.

The company has a 100% investment in the ordinary share capital of Dacres Franchising Limited, Dacres Franchising Limited, 1-5 The Grove, Ilkley, West Yorkshire, LS29 9HS, and a 100% investment in the ordinary share capital of Dacre, Son & Hartley Franchising Limited, 1-5 The Grove, Ilkley, West Yorkshire, LS29 9HS, both of which were dormant in the year.

Notes (continued)

13 Debtors

	2017 £	2016 £
Trade debtors	547,929	742,645
Prepayments and accrued income	189,412	191,096
Amounts due from group undertakings	112,090	1,115
Other debtors	54,000	54,000
	<hr/> 903,431	<hr/> 988,856
Due within one year	849,431	934,856
Due after more than one year	54,000	54,000
	<hr/> 903,431	<hr/> 988,856

Intercompany amounts due within one year are repayable on demand but not expected to be repaid within the next 12 months. No interest is charged on intercompany balances.

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loan and overdraft	27,067	27,067
Trade creditors	92,691	186,639
Other creditors including taxation and social security	453,362	407,685
Corporation tax	783	167,059
Accruals and deferred income	522,154	310,941
Finance lease liabilities	7,575	7,575
	<hr/> 1,103,632	<hr/> 1,106,966

15 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loan	202,999	230,066
	<hr/> 202,999	<hr/> 230,066

The bank loan is secured on a freehold property in Harrogate. Interest on this loan is payable at 1.75% above base rate. The bank loan is repayable in annual instalments of £27,067 with amounts repayable after five years of £148,864.

Notes (continued)

16 Deferred tax liabilities

	2017 £	2016 £
Balance at 1 November	33,231	30,019
Charged /(credited) to the profit and loss for the year	(613)	3,212
Balance at 31 October	32,618	33,231

	2017 £	2016 £
Fixed asset timing differences	32,618	33,231
Deferred tax liability	32,618	33,231

17 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i> 86,157 ordinary shares of £1 each	86,157	86,157

18 Reserves

	Capital redemption £	Profit and loss account £
Balance at 1 November	45,593	1,990,389
Profit for the financial year	-	773,587
Dividend	-	(631,273)
Balance at 31 October	45,593	2,264,453

19 Related party transactions

During the year, the company paid £43,778 (2016: £40,226) to McGowan Signs Limited, a company controlled by the wife of IJ Bradbury, a director, during the year. The transactions were carried out at an arm's length basis.

During the year, the company paid £8,283 (2016: £8,280) to R Bradbury, the wife of IJ Bradbury, a director, for rental of the Keighley office. The transactions were carried out at an arm's length basis.

Notes (continued)

20 Commitments

The company has no capital commitments at the end of the financial year (2016: £nil).

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Less than one year	335,025	301,438
Between one and five years	923,411	793,484
More than five years	449,146	426,250
	<hr/> 1,707,582 <hr/>	<hr/> 1,521,172 <hr/>

During the year £482,570 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £464,330).

22 Accounting estimates and judgements

Management considers there to be limited significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, in the preparation of the financial statements. Key estimates and judgements relate to the valuation of tangible fixed assets and the investment property.

23 Subsequent event

Subsequent to the balance sheet date, John David Phillip has resigned as a statutory director of the Company and agreed to sell his 11,301 shares in the Company to the Trustees of the Dacre, Son & Hartley Limited Employee Benefit Trust.