

Registered number: 00970746

R G EVANS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

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R G EVANS HOLDINGS LIMITED

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R G EVANS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2017**

Principal activity

The principal activity of the group continues to be that of providing plumbing and heating services to the construction industry and the public at large.

Business review

As directors we aim to present a balanced and comprehensive review of the development and performance of the group business during the period and its position at the year end.

Financial overview and performance

The group turnover increased by £1,952,272 from £8,229,571 in 2016 to £10,181,843 in 2017, an increase of 23.7%

Gross profit margin decreased to 19.98% (2016 - 20.4%).

The profit for the year, after taxation, amounted to £283,719 (2016 - £168,282). The board sees this improving profit as excellent progress, given the trading conditions.

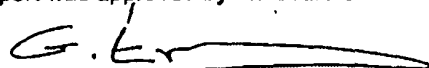
Financial key performance indicators

We consider that the company's key performance indicators are those that communicate the final performance and strength for the group as a whole, these being consolidated sales at £10,181,843 (2016 - £8,229,571), gross profit margin at 19.98% (2016 - 20.4%) and profit before tax at £370,383 (3.6%) (2016 - £223,156 (2.7%)).

This report was approved by the board on

27/2/18

and signed on its behalf.


G J Evans
Director

R G EVANS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2017

The directors present their report and the financial statements for the year ended 31 May 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and non-controlling interests, amounted to £283,531 (2016 - £167,811).

Directors

The directors who served during the year were:

M W Evans
A C Evans
G J Evans

Future developments

The company has continued to invest in the infrastructure and the prospects for the group business in the short to medium term are very positive.

To ensure the longevity of the group the board has identified a need for a well planned, long term succession policy.

R G EVANS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2017**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

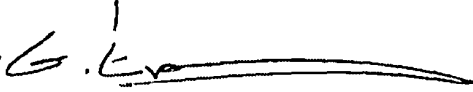
Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

27/2/18

and signed on its behalf.


G J Evans
Director

R G EVANS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R G EVANS HOLDINGS LIMITED

We have audited the financial statements of R G Evans Holdings Limited for the year ended 31 May 2017, set out on pages 6 to 32. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council'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 Group's and the parent 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 Group strategic report and the Directors' 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 Group's and the parent Company's affairs as at 31 May 2017 and of the Group's 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.

R G EVANS HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R G EVANS HOLDINGS LIMITED
(CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and the Directors' report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Barnes Roffe LLP

Nigel Goodman (Senior statutory auditor)
for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 28/2/2018

R G EVANS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2017**

	Note	2017 £	2016 £
Turnover		10,181,843	8,229,571
Cost of sales		(8,147,124)	(6,552,331)
Gross profit		2,034,719	1,677,240
Distribution costs		(114,479)	(118,081)
Administrative expenses		(1,511,543)	(1,249,920)
Exceptional items	14	-	(86,212)
Operating profit	5	408,697	223,027
Interest receivable and similar income	10	155	129
Interest payable and expenses	11	(38,469)	-
Profit before taxation		370,383	223,156
Tax on profit	12	(86,664)	(54,874)
Profit for the financial year		283,719	168,282
Total comprehensive income for the year		283,719	168,282
Profit for the year attributable to:			
Non-controlling interests		188	471
Owners of the parent Company		283,531	167,811
		283,719	168,282
Total comprehensive income for the year attributable to:			
Non-controlling interest		188	471
Owners of the parent Company		283,531	167,811
		283,719	168,282

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED
REGISTERED NUMBER: 00970746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2017

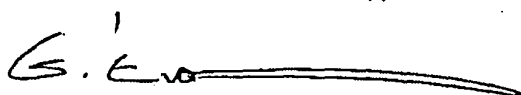
	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	16		78,534		120,737
Tangible assets	17		45,228		75,498
Investments	18		12,000		12,000
			<u>135,762</u>		<u>208,233</u>
Current assets					
Stocks	19	17,784		18,685	
Debtors: amounts falling due within one year	20	2,524,365		1,789,855	
Cash at bank and in hand	21	241,104		693,320	
			<u>2,783,253</u>	<u>2,501,860</u>	
Creditors: amounts falling due within one year	22	(1,873,297)		(1,845,385)	
Net current assets			<u>909,956</u>		<u>656,475</u>
Total assets less current liabilities			<u>1,045,718</u>		<u>864,708</u>
Provisions for liabilities					
Deferred taxation	24		(1,470)		(2,030)
Net assets			<u><u>1,044,248</u></u>		<u><u>862,678</u></u>

R G EVANS HOLDINGS LIMITED
REGISTERED NUMBER: 00970746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	25	75	75
Capital redemption reserve	26	28	28
Profit and loss account	26	1,038,198	856,816
Equity attributable to owners of the parent Company		1,038,301	856,919
Non-controlling interests		5,947	5,759
		1,044,248	862,678

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



27/2/2018.

G J Evans
Director

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED
REGISTERED NUMBER: 00970746

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	17		25,106		49,241
Investments	18		534,340		534,340
			<u>559,446</u>		<u>583,581</u>
Current assets					
Debtors: amounts falling due within one year	20	297,860		377,465	
Cash at bank and in hand	21	60,855		79,015	
			<u>358,715</u>	<u>456,480</u>	
Creditors: amounts falling due within one year	22	(441,006)		(513,614)	
Net current liabilities			<u>(82,291)</u>		<u>(57,134)</u>
Total assets less current liabilities			<u>477,155</u>		<u>526,447</u>
Net assets			<u>477,155</u>		<u>526,447</u>
Capital and reserves					
Called up share capital	25		75		75
Capital redemption reserve	26		25		25
Profit and loss account	26		477,055		526,347
			<u>477,155</u>		<u>526,447</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



27/2/2018

G J Evans
 Director

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 June 2016	75	28	856,816	856,919	5,759	862,678
Comprehensive Income for the year						
Profit for the year	-	-	283,531	283,531	188	283,719
Total comprehensive income for the year	-	-	283,531	283,531	188	283,719
Dividends: Owners of Parent	-	-	(102,149)	(102,149)	-	(102,149)
Total transactions with owners	-	-	(102,149)	(102,149)	-	(102,149)
At 31 May 2017	75	28	1,038,198	1,038,301	5,947	1,044,248

R G EVANS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling Interests	Total equity
	£	£	£	£	£	£
At 1 June 2015	75	28	1,049,513	1,049,616	5,288	1,054,904
Comprehensive income for the year						
Profit for the year	-	-	167,811	167,811	471	168,282
Total comprehensive income for the year	-	-	167,811	167,811	471	168,282
Dividends: Owners of Parent	-	-	(360,508)	(360,508)	-	(360,508)
Total transactions with owners	-	-	(360,508)	(360,508)	-	(360,508)
At 31 May 2016	75	28	856,816	856,919	5,759	862,678

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	75	25	526,347	526,447
Comprehensive income for the year				
Profit for the year	-	-	52,857	52,857
Total comprehensive income for the year	-	-	52,857	52,857
Contributions by and distributions to owners				
Dividends	-	-	(102,149)	(102,149)
Total transactions with owners	-	-	(102,149)	(102,149)
At 31 May 2017	75	25	477,055	477,155

R G EVANS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2015	75	25	771,064	771,164
Comprehensive Income for the year				
Profit for the year	-	-	115,791	115,791
Total comprehensive income for the year	-	-	115,791	115,791
Contributions by and distributions to owners				
Dividends	-	-	(360,508)	(360,508)
Total transactions with owners	-	-	(360,508)	(360,508)
At 31 May 2016	75	25	526,347	526,447

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	283,719	168,282
Adjustments for:		
Amortisation of intangible assets	42,203	42,203
Depreciation of tangible assets	14,501	22,979
Loss on disposal of tangible assets	11,619	-
Interest payable	38,469	-
Interest receivable	(155)	(129)
Taxation charge	86,664	54,874
Decrease in stocks	901	4,842
(Increase) in debtors	(734,509)	(410,252)
(Decrease)/increase in creditors	(1,067)	888,107
Corporation tax (paid)	(57,773)	(29,059)
Net cash (used in)/generated from operating activities	(315,428)	741,847
Cash flows from investing activities		
Sale of tangible fixed assets	4,147	-
Interest received	155	129
Net cash from investing activities	4,302	129
Cash flows from financing activities		
Dividends paid	(102,149)	(360,508)
Interest paid	(38,469)	-
Net cash used in financing activities	(140,618)	(360,508)
Net (decrease)/increase in cash and cash equivalents	(451,744)	381,468
Cash and cash equivalents at beginning of year	692,848	311,380
Cash and cash equivalents at the end of year	241,104	692,848
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	241,104	693,320
Bank overdrafts	-	(472)
	241,104	692,848

The notes on pages 15 to 32 form part of these financial statements.

R G EVANS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

1. General Information

R G Evans Holdings Limited is a company limited by shares incorporated in England and Wales. The address of the registered office is Unit 5, Jacksons Industrial Estate, Wessex Road, Bourne End, Buckinghamshire, SL8 5DT.

The company specialises in providing plumbing and heating services to the construction industry and the public at large.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised according to the date the service is provided.

Long term contracts are included in turnover on the basis of the sales value of work performed during the year. The contract margins are then assessed and accrued as appropriate.

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill - Amortised on a straight line basis over 10 years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 25% Reducing balance
Motor vehicles	- 25% Reducing balance
Fixtures, fittings and office equipment	- 15% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. Determine whether there are indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic vitality and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

1. The directors have to make certain judgements in respect of the revenue to recognise on long term contract balances within work in progress.

4. Turnover

The whole of the turnover is attributable to the group's principal activity.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	14,501	22,979
Loss/ (Profit) on sale of tangible fixed assets	11,619	-
Amortisation of intangible assets, including goodwill	42,203	42,203
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	24,335	-
Other operating lease rentals	74,350	46,598
Defined contribution pension cost	34,135	22,405

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	8,150	7,910
Fees payable to the Group's auditor in respect of:		
Audit of subsidiary undertakings	16,185	14,535
All other services	27,317	15,855
	<u>43,502</u>	<u>30,390</u>

7. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,794,583	1,660,756
Social security costs	177,042	161,044
Cost of defined contribution scheme	34,135	22,405
	<u>2,005,760</u>	<u>1,844,205</u>

8. Staff numbers

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	3	3
Employees	56	55
	<u>59</u>	<u>58</u>

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	48,325	63,857
	<u>48,325</u>	<u>63,857</u>

10. Interest receivable

	2017 £	2016 £
Other interest receivable	155	129
	<u>155</u>	<u>129</u>

11. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	38,469	-
	<u>38,469</u>	<u>-</u>

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	87,300	57,849
Adjustments in respect of previous periods	(76)	(69)
Total current tax	<u>87,224</u>	<u>57,780</u>
Deferred tax		
Credit for the year	(560)	(2,906)
Total deferred tax	<u>(560)</u>	<u>(2,906)</u>
Taxation on profit on ordinary activities	<u>86,664</u>	<u>54,874</u>

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>370,383</u>	<u>223,156</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	74,077	44,631
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	8,441	8,441
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,938	1,151
Depreciation for year in excess of capital allowances	337	3,671
Adjustments to tax charge in respect of prior periods	(636)	(69)
Other timing differences	(171)	(2,986)
Difference in tax rates used	(721)	-
Current year overprovision	399	35
Total tax charge for the year	<u><u>86,664</u></u>	<u><u>54,874</u></u>

Factors that may affect future tax charges

There were no factors that may materially affect future tax charges.

13. Dividends

	2017 £	2016 £
Dividends paid on equity capital	<u>102,149</u>	<u>360,508</u>
	<u><u>102,149</u></u>	<u><u>360,508</u></u>

The directors and their families had an interest in the dividends paid during the year of £102,149 (2016 - £360,508).

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

14. Exceptional Items

	2017 £	2016 £
Bad debts	-	86,212
	<u>-</u>	<u>86,212</u>

15. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £52,857 (2016 - £115,791).

16. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 June 2016	422,031
At 31 May 2017	<u>422,031</u>
Amortisation	
At 1 June 2016	301,294
Charge for the year	42,203
At 31 May 2017	<u>343,497</u>
Net book value	
At 31 May 2017	<u>78,534</u>
At 31 May 2016	<u>120,737</u>

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

17. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 June 2016	188,433	54,183	109,980	58,599	409,195
Disposals	(4,708)	(22,927)	(57,014)	-	(84,649)
At 31 May 2017	183,725	31,256	52,966	56,599	324,546
Depreciation					
At 1 June 2016	154,801	41,960	97,037	39,901	333,699
Charge for the year	8,210	1,569	547	4,175	14,501
Disposals	(4,520)	(16,976)	(47,387)	-	(68,883)
At 31 May 2017	158,491	26,553	50,197	44,076	279,317
Net book value					
At 31 May 2017	25,234	4,703	2,769	12,523	45,229
At 31 May 2016	33,632	12,223	12,943	16,698	75,496

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

17. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 June 2016	54,733	54,183	57,014	165,930
Disposals	(4,708)	(22,927)	(57,014)	(84,649)
At 31 May 2017	50,025	31,256	-	81,281
Depreciation				
At 1 June 2016	27,342	41,960	47,387	116,689
Charge for the year	6,800	1,569	-	8,369
Disposals	(4,520)	(16,976)	(47,387)	(68,883)
At 31 May 2017	29,622	26,553	-	56,175
Net book value				
At 31 May 2017	20,403	4,703	-	25,106
At 31 May 2016	27,391	12,223	9,627	49,241

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

18. Fixed asset investments

Group

	Unlisted Investments £
Cost or valuation	
At 1 June 2016	12,000
At 31 May 2017	<u>12,000</u>
Net book value	
At 31 May 2017	<u>12,000</u>
At 31 May 2016	<u>12,000</u>

Company

	Shares in group undertaking £	Unlisted investments £	Total £
Cost or valuation			
At 1 June 2016	672,340	12,000	684,340
At 31 May 2017	<u>672,340</u>	<u>12,000</u>	<u>684,340</u>
Impairment			
At 1 June 2016	150,000	-	150,000
At 31 May 2017	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net book value			
At 31 May 2017	<u>522,340</u>	<u>12,000</u>	<u>534,340</u>
At 31 May 2016	<u>522,340</u>	<u>12,000</u>	<u>534,340</u>

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

19. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	17,784	18,685	-	-
	<u>17,784</u>	<u>18,685</u>	<u>-</u>	<u>-</u>

20. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	394,793	206,690	-	-
Amounts owed by group undertakings	-	-	297,860	377,465
Other debtors	21,586	73,722	-	-
Prepayments and accrued income	14,220	28,506	-	-
Amounts recoverable on long term contracts	2,093,766	1,480,937	-	-
	<u>2,524,365</u>	<u>1,789,855</u>	<u>297,860</u>	<u>377,465</u>

21. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	241,104	693,320	60,855	79,015
Less: bank overdrafts	-	(472)	-	(472)
	<u>241,104</u>	<u>692,848</u>	<u>60,855</u>	<u>78,543</u>

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

22. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	-	472	-	472
Trade creditors	1,199,171	953,219	-	-
Amounts owed to group undertakings	-	-	15,100	-
Corporation tax	87,300	57,849	17,700	32,700
Other taxation and social security	82,480	65,031	14,785	15,125
Other creditors	411,751	485,056	382,919	458,115
Accruals and deferred income	92,595	283,758	10,502	7,202
	<u>1,873,297</u>	<u>1,845,385</u>	<u>441,006</u>	<u>513,614</u>

23. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	2,510,145	1,761,349	297,860	377,465
	<u>2,510,145</u>	<u>1,761,349</u>	<u>297,860</u>	<u>377,465</u>
Financial liabilities				
Financial liabilities measured at amortised cost	1,610,919	1,438,747	398,019	458,587
	<u>1,610,919</u>	<u>1,438,747</u>	<u>398,019</u>	<u>458,587</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and amounts recoverable on long term contracts.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other creditors and amounts owed to group undertakings

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

24. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	2,030	4,936
(Credit)/charged to profit or loss	(560)	(2,906)
At end of year	1,470	2,030

At end of year

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	1,470	2,030	-	-
	1,470	2,030	-	-

25. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
13 Ordinary A shares of £1 each	13	13
13 Ordinary B shares of £1 each	13	13
13 Ordinary C shares of £1 each	13	13
12 Ordinary D shares of £1 each	12	12
12 Ordinary E shares of £1 each	12	12
12 Ordinary F shares of £1 each	12	12
	75	75

R G EVANS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

26. Reserves

Capital redemption reserve

This is a non-distributable reserve that represents the nominal value of ordinary shares repurchased by the company and cancelled.

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £34,135 (2016 - £22,405). Contributions totalling £3,566 (2016 - £4,421) were payable to the fund at the year end.

28. Commitments under operating leases

At 31 May 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	99,826	48,836
Between 2 and 5 years	126,286	86,673
	<u>226,112</u>	<u>135,509</u>

The Company had no commitments under non-cancellable operating leases as at the reporting date.

29. Related party transactions

The company has taken advantage of the exemption provided by FRS102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

At the year end, amounts owed to the directors totalled £43,198 (2016 - £379,538).

At the year end, £38,880 (2016 - £78,336) was owed to close family members of the directors.

During the year a management charge of £84,125 (2016 - £102,600) was charged to a subsidiary company. At the balance sheet date, amounts owed to the subsidiary amounted to £15,100 (2016 - £53,280 due from).

R G EVANS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

30. Controlling party

In the opinion of the directors there is no one ultimate controlling party.

31. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
R G Evans (Plumbing & Heating) Limited	England & Wales	100 %	Plumbing & Heating Engineers
J.F. Heppelthwaite Limited	England & Wales	96 %	Plumbing & Heating Engineers