

Company Registration No. 02484708 (England and Wales)

P V H HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2016

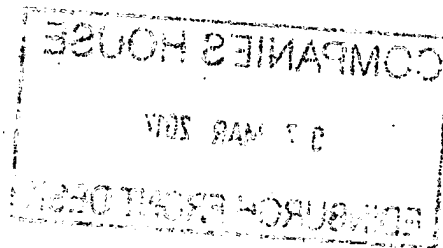
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P V H HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S D Pearson A B G Van Huet J S Pearson
Secretary	F Langstraat
Company number	02484708
Registered office	Howdenshire Way Knedlington Road Howden Goole East Yorkshire DN14 7HZ
Auditor	RSM UK Audit LLP Chartered Accountants 1st Floor Two Humber Quays Wellington Street West Hull HU1 2BN



P V H HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present the strategic report for the year ended 31 May 2016.

Fair review of the business

The directors are pleased with the continuing development of the company and its subsidiaries despite the challenges within the economy.

The Group turnover amounted to £18.8m whilst the balance sheet further strengthened to net current assets of £6.7m. There was improvement in the margin during the year.

Strategic matters

The board remain fully committed to supporting the existing operations of the business and is ready to provide further investments as might be required. Furthermore the board will ensure that the business continues to have the resources to meet the future challenges and opportunities that the business may be presented with.

Principal risks and uncertainties

As a supplier of services and products primarily to the residential construction sector the result of the business remains subject to the underlying performance of the sector. We are cautiously optimistic that this sector will continue to operate at a satisfactory level and provide some growth. The Group is well placed to provide a good level of service to its customer base for its services and products.

Part of the business is exposed to the fluctuations in the £-€ exchange rates which are managed by forward and spot buying.

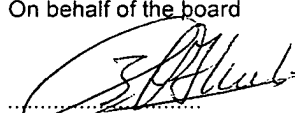
Key performance indicators

The following KPIs are used by management to review the performance of the business:

- the level of margin achieved on the sale of its products
- the return on contracts entered into

The directors are satisfied with the level of performance achieved in relation to these indicators.

On behalf of the board


A B G Van Huet
Director

6th March 2017

P V H HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present their annual report and financial statements for the year ended 31 May 2016.

Principal activities

The principal activity of the company in the year under review was that of property letting and the management of its subsidiaries. The principal activities of the companies within the group are roofing contractors and building materials suppliers.

Directors

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

S D Pearson
A B G Van Huet
J S Pearson

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £1,454,546. The directors do not recommend payment of a further dividend.

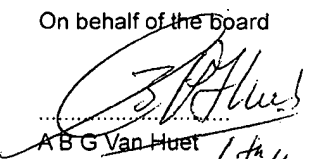
Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

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

On behalf of the Board


A B G Van Huet
Director

6 March 2017

P V H HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MAY 2016

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P V H HOLDINGS LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2016 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1st Floor

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

6/3/2017

P V H HOLDINGS LIMITED

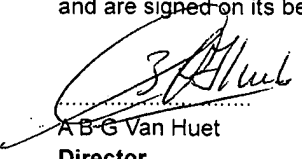
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2015 £
Turnover	3	18,817,206	23,688,776
Cost of sales		(13,804,404)	(19,010,236)
Gross profit		5,012,802	4,678,540
Administrative expenses		(2,048,603)	(2,370,059)
Other operating income		69,341	93,550
Operating profit	6	3,033,540	2,402,031
Interest receivable and similar income	8	34,494	34,791
Interest payable and similar charges	9	(2,167)	(3,067)
Other gains and losses	10	(31,251)	57,355
Profit before taxation		3,034,616	2,491,110
Taxation	11	(607,113)	(513,318)
Profit for the financial year		2,427,503	1,977,792
Profit for the financial year is attributable to:			
- Owners of the parent company		2,189,896	1,832,652
- Non-controlling interests		237,607	145,140
		2,427,503	1,977,792
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		2,189,896	1,832,652
- Non-controlling interests		237,607	145,140
		2,427,503	1,977,792

P V H HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	13	996,372	944,019
Investment properties	14	583,000	583,000
Investments	15	556,126	609,418
		<u>2,135,498</u>	<u>2,136,437</u>
Current assets			
Stocks	17	207,954	156,002
Debtors	18	3,264,001	4,551,876
Cash at bank and in hand		6,224,943	4,649,872
		<u>9,696,898</u>	<u>9,357,750</u>
Creditors: amounts falling due within one year	19	<u>(2,948,770)</u>	<u>(3,858,613)</u>
Net current assets		<u>6,748,128</u>	<u>5,499,137</u>
Total assets less current liabilities		<u>8,883,626</u>	<u>7,635,574</u>
Creditors: amounts falling due after more than one year	20	(27,713)	(13,476)
Provisions for liabilities	24	(3,754,798)	(3,382,105)
Net assets		<u>5,101,115</u>	<u>4,239,993</u>
Capital and reserves			
Called up share capital	27	8,000	8,000
Revaluation reserve	28	299,313	290,317
Other reserves	28	424,034	417,697
Profit and loss reserves	28	4,199,703	3,479,686
Equity attributable to owners of the parent company		<u>4,931,050</u>	<u>4,195,700</u>
Non-controlling interests		<u>170,065</u>	<u>44,293</u>
		<u>5,101,115</u>	<u>4,239,993</u>

The financial statements were approved by the board of directors and authorised for issue on 6 June 2017 and are signed on its behalf by:

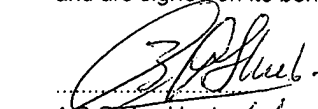

A B G Van Huet
Director

P V H HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	13		235		331
Investment properties	14		1,233,000		1,233,000
Investments	15		143,032		143,032
			<u>1,376,267</u>		<u>1,376,363</u>
Current assets					
Debtors	18	17,912		36,599	
Cash at bank and in hand		27,094		-	
		<u>45,006</u>		<u>36,599</u>	
Creditors: amounts falling due within one year	19	(253,237)		(288,428)	
Net current liabilities			<u>(208,231)</u>		<u>(251,829)</u>
Total assets less current liabilities			<u>1,168,036</u>		<u>1,124,534</u>
Provisions for liabilities	24		<u>(203,468)</u>		<u>(186,599)</u>
Net assets			<u><u>964,568</u></u>		<u><u>937,935</u></u>
Capital and reserves					
Called up share capital	27		8,000		8,000
Other reserves	28		692,288		676,955
Profit and loss reserves	28		264,280		252,980
Total equity			<u><u>964,568</u></u>		<u><u>937,935</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,481,179 (2015 - £594,358 profit).

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


A B G Van Huet
Director 6 January 2017

P V H HOLDINGS LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Fair value reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 June 2014		8,000	287,968	417,097	2,192,387	2,905,452	(18,512)	2,886,940
Year ended 31 May 2015:								
Profit and total comprehensive income for the year		-	-	-	1,832,652	1,832,652	145,140	1,977,792
Dividends	12	-	-	-	(542,404)	(542,404)	(82,335)	(624,739)
Transfers		-	-	-	(2,949)	(2,949)	-	(2,949)
Other movements		-	2,349	600	-	2,949	-	2,949
Balance at 31 May 2015		8,000	290,317	417,697	3,479,686	4,195,700	44,293	4,239,993
Year ended 31 May 2016:								
Profit and total comprehensive income for the year		-	-	-	2,189,896	2,189,896	237,607	2,427,503
Dividends	12	-	-	-	(1,454,546)	(1,454,546)	(111,835)	(1,566,381)
Transfers		-	-	-	(15,333)	(15,333)	-	(15,333)
Other movements		-	8,996	6,337	-	15,333	-	15,333
Balance at 31 May 2016		8,000	299,313	424,034	4,199,703	4,931,050	170,065	5,101,115

P V H HOLDINGS LIMITED

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

	Notes	Share capital £	Fair value reserves £	Profit and loss reserves £	Total £
Balance at 1 June 2014		8,000	674,006	203,975	885,981
Year ended 31 May 2015:					
Profit and total comprehensive income for the year		-	-	594,358	594,358
Dividends	12	-	-	(542,404)	(542,404)
Transfers		-	-	(2,949)	(2,949)
Other		-	2,949	-	2,949
Balance at 31 May 2015		8,000	676,955	252,980	937,935
Year ended 31 May 2016:					
Profit and total comprehensive income for the year		-	-	1,481,179	1,481,179
Dividends	12	-	-	(1,454,546)	(1,454,546)
Transfers		-	-	(15,333)	(15,333)
Other		-	15,333	-	15,333
Balance at 31 May 2016		8,000	692,288	264,280	964,568

P V H HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	29	3,956,492		2,032,518	
Interest paid		(2,167)		(3,067)	
Income taxes paid		(666,288)		(324,427)	
Net cash inflow from operating activities		3,288,037		1,705,024	
Investing activities					
Purchase of tangible fixed assets		(200,478)		(262,561)	
Proceeds on disposal of tangible fixed assets		46,816		42,900	
Purchase of fixed asset investments		(123,592)		(40,303)	
Proceeds on disposal of fixed asset investments		145,633		32,034	
Interest received		21,606		22,040	
Dividends received		12,888		12,751	
Net cash used in investing activities		(97,127)		(193,139)	
Financing activities					
Payment of finance leases obligations		(5,522)		(4,630)	
Dividends paid to equity shareholders		(1,454,546)		(542,404)	
Dividends paid to non-controlling interests		(111,835)		(82,335)	
Net cash used in financing activities		(1,571,903)		(629,369)	
Net increase in cash and cash equivalents		1,619,007		882,516	
Cash and cash equivalents at beginning of year		4,605,936		3,723,420	
Cash and cash equivalents at end of year		6,224,943		4,605,936	
Relating to:					
Cash at bank and in hand		6,224,943		4,649,872	
Bank overdrafts included in creditors payable within one year		-		(43,936)	

P V H HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	30	122,914		65,781	
Interest paid		(3,357)		(4,630)	
Income taxes paid		(19,559)		(12,670)	
Net cash inflow from operating activities		<u>99,998</u>		<u>48,481</u>	
Investing activities					
Dividends received		<u>1,425,578</u>		<u>513,700</u>	
Net cash generated from investing activities		1,425,578		513,700	
Financing activities					
Dividends paid to equity shareholders		<u>(1,454,546)</u>		<u>(542,404)</u>	
Net cash used in financing activities		(1,454,546)		(542,404)	
Net increase in cash and cash equivalents		<u>71,030</u>		<u>19,777</u>	
Cash and cash equivalents at beginning of year		(43,936)		(63,713)	
Cash and cash equivalents at end of year		<u><u>27,094</u></u>		<u><u>(43,936)</u></u>	
Relating to:					
Cash at bank and in hand		27,094		-	
Bank overdrafts included in creditors payable within one year		-		(43,936)	

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

Company information

P V H Holdings Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is Howdenshire Way, Knedlington Road, Howden, Goole, East Yorkshire, DN14 7HZ.

The group consists of P V H Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

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

The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 May 2016 are the first financial statements of P V H Holdings Limited and the group prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the transition date being 1 June 2014. The group and company financial statements for the year ended 31 May 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 34.

Basis of consolidation

The consolidated financial statements incorporate those of P V H Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 May 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

Going concern

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the group's resources and the challenges presented by the current economic climate, the directors are satisfied that the group has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary nature of business. Turnover is shown net of Value Added Tax of goods and services provided to customers.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Rental income on assets leased is recognised as due under the rental agreements and is presented within other operating income.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation as deemed cost on transition to FRS102, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life as follows:

Freehold buildings	2% and 25% on cost
Plant and machinery	25% on reducing balance
Fixtures, fittings and equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in other comprehensive income.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

Stocks

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

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

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

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Other financial liabilities

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

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Provision is made for liabilities arising in respect of expected warranty and defect claims on warranties provided in conjunction with the sale of goods and services.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies (Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed Assets

The assessment of the useful economic lives and the method of depreciating fixed assets require judgement by the directors to ensure that assets match the future economic benefits embodied in them.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee.

Provisions

Provisions are a key area of the financial statements and are subject to both estimation and uncertainty. Provisions are recognised on product defect warranties when claims are made in relation the products and services supplied. This requires judgement as to whether a claim would likely give rise to a provision based on the groups knowledge of its products, services and customers. The provision would then need estimating based on the groups assessment of the likely work and cost required to remedy the defect. This would be subjective and based on the groups knowledge of its products, services and past customer experience.

Investment property

A key accounting estimate and judgement relates to the carrying value of the investment property, which is stated at fair value. The group uses external professional valuations as the basis for determining the directors' estimation of the fair value of the investment properties. The valuation of the group's investment property is inherently subjective, as it is made on the basis of the valuation assumptions. Details of the valuation basis is set out in the investment property note.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover analysed by class of business		
Roofing contractors	11,721,151	10,653,039
Supply of roofing and building materials	7,096,055	13,035,737
	<u>18,817,206</u>	<u>23,688,776</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

3 Turnover and other revenue (Continued)

Other revenue		
Interest income	21,606	22,040
Dividends received	12,888	12,751
	<u>21,606</u>	<u>12,751</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>18,817,206</u>	<u>23,688,776</u>

4 Employees

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

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Administration and management	<u>26</u>	<u>22</u>	<u>6</u>	<u>6</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	836,170	880,957	100,904	121,580
Social security costs	98,656	111,337	9,258	11,250
Pension costs	246,290	206,073	64,909	85,969
	<u>1,181,116</u>	<u>1,198,367</u>	<u>175,071</u>	<u>218,799</u>

5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	29,791	124,898
Company pension contributions to defined contribution schemes	172,400	128,923
	<u>202,191</u>	<u>253,821</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

6 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	140,002	118,321
Depreciation of tangible fixed assets held under finance leases	4,066	5,422
(Profit)/loss on disposal of tangible fixed assets	(8,802)	6,555
Cost of stocks recognised as an expense	10,249,614	14,820,076
Operating lease charges	35,504	33,343
	<u> </u>	<u> </u>

7 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,000	-
Audit of the company's subsidiaries	24,000	19,500
	<u> </u>	<u> </u>
	26,000	19,500
	<u> </u>	<u> </u>

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	20,945	21,297
Other interest income	661	743
	<u> </u>	<u> </u>
Total interest revenue	21,606	22,040
Other income from investments		
Dividends received	12,888	12,751
	<u> </u>	<u> </u>
Total income	34,494	34,791
	<u> </u>	<u> </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	21,606	22,040
Dividends from financial assets measured at fair value through profit or loss	12,888	12,751
	<u> </u>	<u> </u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

9 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	357	1,630
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,810	1,437
Total finance costs	<u>2,167</u>	<u>3,067</u>

10 Other gains and losses

	2016	2015
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(39,462)	54,950
Gains/(losses) other than fair value gains/(losses) on financial instruments		
Gain on disposal of financial assets held at fair value through profit or loss	8,211	2,405
	<u>(31,251)</u>	<u>57,355</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

11 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	602,976	504,083
Adjustments in respect of prior periods	4,979	1,331
Total current tax	<u>607,955</u>	<u>505,414</u>
Deferred tax		
Origination and reversal of timing differences	(790)	7,904
Adjustment in respect of prior periods	(52)	-
Total deferred tax	<u>(842)</u>	<u>7,904</u>
Total tax charge	<u>607,113</u>	<u>513,318</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>3,034,616</u>	<u>2,491,110</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.80%)	606,923	518,151
Tax effect of expenses that are not deductible in determining taxable profit	3,920	11,737
Tax effect of income not taxable in determining taxable profit	(3,141)	(3,522)
Gains not taxable	9,536	(11,430)
Effect of change in corporation tax rate	2,723	-
Other non-reversing timing differences	(8,996)	(2,949)
Under/(over) provided in prior years	-	1,331
Deferred tax adjustments in respect of prior years	(26)	-
Dividend income	(2,563)	-
Other timing differences	(1,263)	-
Taxation for the year	<u>607,113</u>	<u>513,318</u>

12 Dividends

	2016 £	2015 £
Final paid	<u>1,454,546</u>	<u>542,404</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

13 Tangible fixed assets

Group	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2015	666,000	60,875	15,167	499,965	1,242,007
Additions	-	10,317	-	224,118	234,435
Disposals	-	-	-	(95,663)	(95,663)
At 31 May 2016	666,000	71,192	15,167	628,420	1,380,779
Depreciation and impairment					
At 1 June 2015	27,125	38,175	14,115	218,573	297,988
Depreciation charged in the year	13,008	8,313	346	122,401	144,068
Eliminated in respect of disposals	-	-	-	(57,649)	(57,649)
At 31 May 2016	40,133	46,488	14,461	283,325	384,407
Carrying amount					
At 31 May 2016	625,867	24,704	706	345,095	996,372
At 31 May 2015	638,875	22,700	1,052	281,392	944,019

Company	Plant and machinery
	£
Cost	
At 1 June 2015 and 31 May 2016	5,076
Depreciation and impairment	
At 1 June 2015	4,745
Depreciation charged in the year	96
At 31 May 2016	4,841
Carrying amount	
At 31 May 2016	235
At 31 May 2015	331

The carrying value of land included within land and buildings comprises:

	Group 2016	2015	Company 2016	2015
	£	£	£	£
Freehold	93,750	93,750	-	-

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Motor vehicles	12,199	16,265	-	-
Depreciation charge for the year in respect of leased assets	4,066	5,422	-	-

Freehold land and buildings with a carrying amount of £625,867 (2015 - £638,875) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

14 Investment property

	Group 2016 £	Company 2016 £
Fair value At 1 June 2015 and 31 May 2016	583,000	1,233,000

Investment property comprises freehold office buildings in the group. In the company investment property comprises freehold office buildings and operating premises leased to other group companies. The fair value of the investment property has been arrived at on the basis of a valuation carried out by McBeath Property Consultancy Limited on 6 February 2015, who are not connected with the company. The valuation was made on an existing use open market value basis in accordance with the Statement of Assets Valuation Practice No 4 and its Guidance notes of the Royal Institution of Chartered Surveyors. The directors believe this represents the fair value as at 31 May 2016.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	214,290	214,290	509,740	509,740
Accumulated depreciation	-	-	-	-
Carrying amount	214,290	214,290	509,740	509,740

The investment property has been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

15 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	16	-	-	143,032	143,032
Listed investments		556,126	609,418	-	-
		<u>556,126</u>	<u>609,418</u>	<u>143,032</u>	<u>143,032</u>
Listed investments included above:					
Listed investments carrying amount		556,126	609,418	-	-
Potential tax liability if sold at market value		8,378	17,202	-	-
		<u>8,378</u>	<u>17,202</u>	<u>-</u>	<u>-</u>

Fixed asset investments revalued

Listed investments comprise an investment portfolio held with an independent investment management firm. They are revalued to market value as reported in the annual valuation report of the investment management firm. The historical cost of the investments is £509,580 (2015 - £508,009).

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 June 2015	609,418
Additions	123,592
Valuation changes	(39,462)
Disposals	(137,422)
At 31 May 2016	<u>556,126</u>
Carrying amount	
At 31 May 2016	<u>556,126</u>
At 31 May 2015	<u>609,418</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

15 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 June 2015 and 31 May 2016	149,157
Impairment	
At 1 June 2015 and 31 May 2016	6,125
Carrying amount	
At 31 May 2016	143,032
At 31 May 2015	143,032

16 Subsidiaries

Details of the company's subsidiaries at 31 May 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Crest Brick Slate & Tile Limited	England and Wales	Supply of building and roofing materials	Ordinary	100.00	
Crest Roofing Limited	England and Wales	Roofing contractors	Ordinary A	90.00	
Crest Unidek Limited	England and Wales	Dormant	Ordinary	82.00	
Crown Roofing (Centres) Limited	England and Wales	Roofing contractors	Ordinary A		80.00
Excel Roofing Services Limited	England and Wales	Roofing contractors	Ordinary A		85.00
PVH Developments Limited	England and Wales	Dormant	Ordinary	100.00	
PVH Investments Limited	England and Wales	Dormant	Ordinary	100.00	

The indirect holdings in Crown Roofing (Centres) Limited and Excel Roofing Services Limited are held by Crest Roofing Limited.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

17 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	207,954	156,002	-	-

The replacement cost of stock is not materially different to the carrying amount.

18 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	3,100,506	4,390,537	-	-
Amount owed by group undertakings	-	-	-	27,075
Other debtors	84,776	103,640	-	-
Prepayments and accrued income	78,719	57,699	17,912	9,524
	<u>3,264,001</u>	<u>4,551,876</u>	<u>17,912</u>	<u>36,599</u>

During the year provision was made for bad debts of £646,418 (2015 - £658,000) in respect of trade debtors due from customers.

19 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	-	43,936	-	43,936
Obligations under finance leases	22	18,828	4,630	-	-
Trade creditors		1,665,788	2,028,120	13,874	58,980
Amounts due to group undertakings		-	-	148,800	50,082
Corporation tax payable		417,032	460,032	10,446	18,065
Other taxation and social security		359,232	538,843	21,402	24,052
Other creditors		67,589	75,222	46,230	45,636
Accruals and deferred income		420,301	707,830	12,485	47,677
		<u>2,948,770</u>	<u>3,858,613</u>	<u>253,237</u>	<u>288,428</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases	22	<u>27,713</u>	<u>13,476</u>	<u>-</u>	<u>-</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

21 Borrowings

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank overdrafts	-	43,936	-	43,936
Payable within one year	-	43,936	-	43,936

The bank overdraft is secured on the investment and freehold property.

22 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Less than one year	18,828	4,630	-	-
Between one and five years	27,713	13,476	-	-
	46,541	18,106	-	-

Finance lease and hire purchase payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and the average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,100,606	4,407,304	-	27,075
Instruments measured at fair value through profit or loss	556,126	609,418	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	2,153,678	2,855,108	221,389	246,311

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

24 Provisions for liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Defect provisions		3,535,650	3,179,060	-	-
Dilapidations		102,342	70,064	102,342	70,064
		<u>3,637,992</u>	<u>3,249,124</u>	<u>102,342</u>	<u>70,064</u>
Deferred tax liabilities	25	116,806	132,981	101,126	116,535
		<u>3,754,798</u>	<u>3,382,105</u>	<u>203,468</u>	<u>186,599</u>

Movements on provisions apart from deferred tax liabilities:

Group	Defect provisions £	Dilapidations £	Total £
At 1 June 2015	3,179,060	70,064	3,249,124
Additional provisions in the year	473,725	32,278	506,003
Reversal of provision	(117,135)	-	(117,135)
At 31 May 2016	<u>3,535,650</u>	<u>102,342</u>	<u>3,637,992</u>

Company	Defect provisions £	Dilapidations £	Total £
At 1 June 2015	-	70,064	70,064
Additional provisions in the year	-	32,278	32,278
At 31 May 2016	<u>-</u>	<u>102,342</u>	<u>102,342</u>

Defect provisions

A provision has been recognised for expected defect claims on goods and services sold during the last ten years.

Dilapidations

A provision has been recognised for expected repairs on the group's operating premises.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

25 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	15,735	16,564
Freehold property	55,237	64,233
Investment property	45,847	52,184
Short term timing differences	(13)	-
	<u>116,806</u>	<u>132,981</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Accelerated capital allowances	42	118
Investment property	101,084	116,417
	<u>101,126</u>	<u>116,535</u>
	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 June 2015	132,981	116,535
Credit to profit or loss	(16,175)	(15,409)
Liability at 31 May 2016	<u>116,806</u>	<u>101,126</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature and liabilities on freehold and investment property.

26 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>246,290</u>	<u>206,073</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. There are no outstanding or prepaid contributions included in the charges above.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

27 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
3,600 Ordinary A shares of £1 each	3,600	3,600
3,600 Ordinary B shares of £1 each	3,600	3,600
400 Ordinary C shares of £1 each	400	400
400 Ordinary D shares of £1 each	400	400
	<u>8,000</u>	<u>8,000</u>

The shares rank *pari passu* and all carry no fixed right to income and carry one vote at meetings of the Company.

28 Reserves

Share premium

Consideration received for shares issued above their nominal value less transaction costs.

Revaluation reserve

Cumulative revaluation gains and losses in respect of freehold land and buildings.

Fair value reserve

Cumulative fair value gains and losses in respect of investment property and listed investments.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

29 Cash generated from group operations

	2016	2015
	£	£
Profit for the year after tax	2,427,503	1,977,792
Adjustments for:		
Taxation charged	607,113	513,318
Finance costs	2,167	3,067
Investment income	(34,494)	(34,791)
(Gain)/loss on disposal of tangible fixed assets	(8,802)	6,555
Depreciation and impairment of tangible fixed assets	144,068	123,743
Other gains and losses	31,251	(57,355)
Increase in provisions	388,868	603,750
Movements in working capital:		
(Increase) in stocks	(51,952)	(230)
Decrease/(increase) in debtors	1,287,875	(1,483,274)
(Decrease)/increase in creditors	(837,105)	379,943
Cash generated from operations	<u>3,956,492</u>	<u>2,032,518</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

30 Cash generated from operations - company

	2016 £	2015 £
Profit for the year after tax	1,481,179	594,358
Adjustments for:		
Taxation (credited)/charged	(3,469)	15,142
Finance costs	3,357	4,630
Investment income	(1,425,578)	(513,700)
Depreciation and impairment of tangible fixed assets	96	127
Increase in provisions	32,278	-
Movements in working capital:		
Decrease/(increase) in debtors	18,687	(34,214)
Increase/(decrease) in creditors	16,364	(562)
Cash generated from operations	122,914	65,781

31 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company and group for contract hire/leased motor vehicles and premises from which the group operates..

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	28,726	24,972	-	-
Between one and five years	93,739	57,900	-	-
In over five years	60,500	-	-	-
	<u>182,965</u>	<u>82,872</u>	<u>-</u>	<u>-</u>

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>204,031</u>	<u>253,821</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

32 Related party transactions (Continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchase of goods	
	2016 £	2015 £
Company		
Entities over which the company has control, joint control or significant influence	1,180	-
	<u>1,180</u>	<u>-</u>

	2016 £	2015 £	2016 £	2015 £
Company				
Entities over which the entity has control, joint control or significant influence	135,940	-	3,000	-
	<u>135,940</u>	<u>-</u>	<u>3,000</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Company		
Entities over which the company has control, joint control or significant influence	148,800	-
	<u>148,800</u>	<u>-</u>

No guarantees have been given or received.

33 Directors' transactions

Dividends totalling £1,454,546 (2015 - £542,404) were paid in the year in respect of shares held by the company's directors.

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

Description	% Rate	Opening balance	Closing balance
		£	£
S D Pearson - Directors Loan Account	-	636	636
A B G Van Huet - Directors Loan Account	-	45,000	45,000
		<u>45,636</u>	<u>45,636</u>

There is no interest charged on these amounts.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

34 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Notes	1 June 2014 £	31 May 2015 £
Equity as reported under previous UK GAAP		3,006,306	4,356,410
Adjustments arising from transition to FRS 102:			
Depreciation as a result of reclassification of investment property as land and buildings on consolidation	1	-	(11,125)
Depreciation as a result of reclassification of land and buildings as investment property	2	-	11,125
Deferred taxation on land and buildings reclassified as investment property	3	(66,582)	(64,233)
Deferred taxation on investment property	4	(52,784)	(52,184)
Equity reported under FRS 102		<u>2,886,940</u>	<u>4,239,993</u>

Reconciliation of group profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		1,974,843
Adjustments arising from transition to FRS 102:		
Depreciation as a result of reclassification of investment property as land and buildings on consolidation	1	(11,125)
Depreciation as a result of reclassification of land and buildings as investment property	2	11,125
Deferred taxation on land and buildings reclassified as investment property	3	2,349
Deferred taxation on investment property	4	600
Profit reported under FRS 102		<u>1,977,792</u>

Notes to reconciliations on adoption of FRS 102 - group

Note 1 - Depreciation on investment property classified as land and buildings on consolidation

The company has land and buildings that are used as operating premises and offices for subsidiary companies and receives a rental income for these. Under previous GAAP they were classified as land and buildings and depreciated accordingly. Under FRS102 the land and buildings are classified as investment property and stated at fair value.

In the consolidated financial statements the rental is eliminated on consolidation and the land and buildings therefore classified as freehold land and buildings not investment property. The effect being that it is stated at deemed cost, being the original cost plus revaluations to the date of transition less depreciation. The effect is a depreciation charge for the year end 31 May 2015 of £11,125. The fair value reserve of £354,550 is reclassified as revaluation reserve, being the difference to original cost of £295,450 and deemed cost of £650,000.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

34 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of equity - company

	Notes	1 June 2014 £	31 May 2015 £
Equity as reported under previous UK GAAP		1,005,347	1,043,227
Adjustments arising from transition to FRS 102:			
Depreciation as a result of reclassification of investment property as land and buildings on consolidation	1	-	-
Depreciation as a result of reclassification of land and buildings as investment property	2	-	11,125
Deferred taxation on land and buildings reclassified as investment property	3	(66,582)	(64,233)
Deferred taxation on investment property	4	(52,784)	(52,184)
Equity reported under FRS 102		<u>885,981</u>	<u>937,935</u>

Reconciliation of company profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		580,284
Adjustments arising from transition to FRS 102:		
Depreciation as a result of reclassification of investment property as land and buildings on consolidation	1	-
Depreciation as a result of reclassification of land and buildings as investment property	2	11,125
Deferred taxation on land and buildings reclassified as investment property	3	2,349
Deferred taxation on investment property	4	600
Profit reported under FRS 102		<u>594,358</u>

Notes to reconciliations on adoption of FRS 102 - company

Note 2 - Land and buildings reclassified as investment property

The company has land and buildings that are used as operating premises and offices for subsidiary companies and receives a rental income for these. Under previous GAAP they were classified as land and buildings and depreciated accordingly. Under FRS102 the land and buildings is classified as investment property and stated at fair value. Therefore no depreciation is charged and the fair value adjustment would be taken directly to reserves. The depreciation charge for the year end 31 May 2015 of £11,125 is therefore not charged. The fair value of £650,000 is recognised as investment property and the difference, £354,550, to original cost of £295,450 is taken to the fair value reserve.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

34 Reconciliations on adoption of FRS 102 (Continued)

Note 3 - Deferred taxation on land and buildings reclassified as investment property

As noted in 1 above the company has reclassified freehold land and buildings as investment property. Under previous UK GAAP deferred taxation was not recognised on investment property. Under FRS102 investment property is stated at fair value and deferred tax is recognised on the fair value movements. The effect of this is a reduction of the fair value reserve and a deferred tax liability of £66,582 on transition. At 31 May 2015 the change to deferred tax is £2,349. The reduction to the fair value reserve and the deferred tax liability being £64,233.

Note 4 - Deferred taxation on existing investment property

The company had previously valued investment property to market value. Under previous UK GAAP deferred taxation was not recognised on these fair value amounts. Under FRS102 deferred tax is recognised on these fair values and taken directly to reserves. The effect of this is a reduction of the revaluation reserve and a deferred tax liability of £52,784 on transition. At 31 May 2015 the amount is £52,184.