

COMPANY REGISTRATION NUMBER: 02484708

P V H HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 MAY 2017



P V H HOLDINGS LIMITED

FINANCIAL STATEMENTS

Year ended 31 May 2017

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P V H HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S D Pearson
Mr A B G Van Huet
Ms J S Pearson

Registered office

Howdenshire Way
Knedlington Road
Howden
Goole
East Yorkshire
DN147HZ

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

National Westminster Bank Plc
Brunswick Gate
23 Brunswick Place
Southampton
England
SO15 2AQ

P V H HOLDINGS LIMITED

STRATEGIC REPORT

Year ended 31 May 2017

The directors present the strategic report for the year ended 31 May 2017.

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 £21.7mIn whilst the balance sheet further strengthened to net current assets of £10mIn. There were improvements 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 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 relations to these indicators.

This report was approved by the board of directors on 28/5/18 and signed on behalf of the board by:



Mr A B G Van Huet
Director

P V H HOLDINGS LIMITED

DIRECTORS' REPORT

Year ended 31 May 2017

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

Principal activities

The principal activity of the company during the year 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 material suppliers.

Directors

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

Mr S D Pearson
Mr A B G Van Huet
Ms J S Pearson

Dividends

Ordinary dividends were paid amounting to £750,784. The directors do not recommend payment of a further dividend.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 25/5/18 and signed on behalf of the board by:



Mr A B G Van Huet
Director



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P V H HOLDINGS LIMITED *(continued)*

Year ended 31 May 2017

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 group and the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of P V H Holdings Limited for the year ended 31 May 2017 which comprise the consolidated profit and loss account, consolidated balance sheet, balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and the related notes. The 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 FRS 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 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.



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P V H HOLDINGS LIMITED *(continued)*

Year ended 31 May 2017

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 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 of 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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P V H HOLDINGS LIMITED *(continued)*

Year ended 31 May 2017

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.

Simon Tee 25th May 2018

Simon Tee (Senior Statutory Auditor)

For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

P V H HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 May 2017

		2017 £	2016 £
TURNOVER	Note 4	21,695,518	18,817,206
Cost of sales		(14,029,038)	(13,804,404)
GROSS PROFIT		<u>7,666,480</u>	<u>5,012,802</u>
Administrative expenses		(1,837,296)	(2,040,395)
Other operating income	5	<u>45,627</u>	<u>69,341</u>
OPERATING PROFIT	6	5,874,811	3,041,748
Gain/(loss) on financial assets at fair value through profit or loss		145,988	(39,462)
Income from other fixed asset investments	10	14,812	12,888
Other interest receivable and similar income	11	19,346	21,607
Interest payable and similar expenses	12	<u>(2,578)</u>	<u>(2,167)</u>
PROFIT BEFORE TAXATION		6,052,379	3,034,614
Tax on profit	13	<u>(1,156,553)</u>	<u>(607,113)</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u><u>4,895,826</u></u>	<u><u>2,427,501</u></u>
Profit for the financial year attributable to:			
The owners of the parent company		4,296,128	2,189,894
Non-controlling interests		<u>599,698</u>	<u>237,607</u>
		<u><u>4,895,826</u></u>	<u><u>2,427,501</u></u>

All the activities of the group are from continuing operations.

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

31 May 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	15	1,523,766	1,579,370
Investments		–	556,126
		<u>1,523,766</u>	<u>2,135,496</u>
CURRENT ASSETS			
Stocks	17	393,552	207,954
Debtors	18	4,711,964	3,264,001
Investments	19	1,206,876	–
Cash at bank and in hand		7,114,545	6,224,943
		<u>13,426,937</u>	<u>9,696,898</u>
CREDITORS: amounts falling due within one year	20	(3,338,616)	(2,948,770)
NET CURRENT ASSETS		<u>10,088,321</u>	<u>6,748,128</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,612,087</u>	<u>8,883,624</u>
CREDITORS: amounts falling due after more than one year	21	(22,360)	(27,713)
PROVISIONS			
Taxation including deferred tax	23	(90,213)	(116,806)
Other provisions	23	(2,360,659)	(3,637,992)
		<u>(2,450,872)</u>	<u>(3,754,798)</u>
NET ASSETS		<u>9,138,855</u>	<u>5,101,113</u>
CAPITAL AND RESERVES			
Called up share capital	27	8,000	8,000
Revaluation reserve	28	319,823	299,313
Other reserves, including the fair value reserve	28	448,132	424,034
Profit and loss account	28	7,701,063	4,199,701
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		<u>8,477,018</u>	<u>4,931,048</u>
NON-CONTROLLING INTERESTS		661,837	170,065
		<u>9,138,855</u>	<u>5,101,113</u>

The consolidated balance sheet
continues on the following page.

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET *(continued)*

31 May 2017

These financial statements were approved by the board of directors and authorised for issue on 25/5/18, and are signed on behalf of the board by:



Mr A B G Van Huet
Director

Company registration number: 02484708

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

BALANCE SHEET

31 May 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	15	1,233,143	1,233,235
Investments	16	143,032	143,032
		<u>1,376,175</u>	<u>1,376,267</u>
CURRENT ASSETS			
Debtors	18	70,771	17,912
Cash at bank and in hand		26,394	27,094
		<u>97,165</u>	<u>45,006</u>
CREDITORS: amounts falling due within one year	20	(280,872)	(253,237)
NET CURRENT LIABILITIES		<u>(183,707)</u>	<u>(208,231)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,192,468	1,168,036
PROVISIONS			
Taxation including deferred tax	23	(56,500)	(101,126)
Other provisions	23	(35,209)	(102,342)
		<u>(91,709)</u>	<u>(203,468)</u>
NET ASSETS		<u>1,100,759</u>	<u>964,568</u>
CAPITAL AND RESERVES			
Called up share capital	27	8,000	8,000
Other reserves, including the fair value reserve	28	736,896	692,288
Profit and loss account	28	355,863	264,280
SHAREHOLDERS FUNDS		<u>1,100,759</u>	<u>964,568</u>

The profit for the financial year of the parent company was £886,975 (2016: £1,481,179).

These financial statements were approved by the board of directors and authorised for issue on 25/5/18, and are signed on behalf of the board by:



Mr A B G Van Huet
Director

Company registration number: 02484708

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 May 2017

	Called up share capital £	Revaluation reserve £	Other reserves, including the fair value reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-control ling interests £	Total £
AT 1 JUNE 2015	8,000	290,317	417,697	3,479,686	4,195,700	44,293	4,239,993
Profit for the year	—	—	—	2,189,894	2,189,894	237,607	2,427,501
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	2,189,894	2,189,894	237,607	2,427,501
Dividends paid and payable	14	—	—	(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
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	8,996	6,337	(1,469,879)	(1,454,546)	(111,835)	(1,566,381)
AT 31 MAY 2016	8,000	299,313	424,034	4,199,701	4,931,048	170,065	5,101,113
Profit for the year	—	—	—	4,296,128	4,296,128	599,698	4,895,826
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	4,296,128	4,296,128	599,698	4,895,826

The consolidated statement of changes in equity
continues on the following page.

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

Year ended 31 May 2017

	Called up share capital £	Revaluation reserve £	Other reserves, including the fair value reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-control ling interests £	Total £
Dividends paid and payable	14	-	-	(750,784)	(750,784)	(110,050)	(860,834)
Acquisition of non-controlling interests	-	-	-	-	-	2,750	2,750
Transfers	-	-	-	(44,608)	(44,608)	-	(44,608)
Other movements	-	20,510	24,098	626	45,234	(626)	44,608
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	20,510	24,098	(794,766)	(750,158)	(107,926)	(858,084)
AT 31 MAY 2017	<u>8,000</u>	<u>319,823</u>	<u>448,132</u>	<u>7,701,063</u>	<u>8,477,018</u>	<u>661,837</u>	<u>9,138,855</u>

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 May 2017

	Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
AT 1 JUNE 2015	8,000	676,955	252,980	937,935
Profit for the year			1,481,179	1,481,179
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	1,481,179	1,481,179
Dividends paid and payable	14	—	(1,454,546)	(1,454,546)
Transfers	—	—	(15,333)	(15,333)
Other movements	—	15,333	—	15,333
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	15,333	(1,469,879)	(1,454,546)
AT 31 MAY 2016	8,000	692,288	264,280	964,568
Profit for the year			886,975	886,975
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	886,975	886,975

The company statement of changes in equity
continues on the following page.
The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY *(continued)*

Year ended 31 May 2017

	Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
Dividends paid and payable	14 –	–	(750,784)	(750,784)
Transfers	–	–	(44,608)	(44,608)
Other movements	–	44,608	–	44,608
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	–	44,608	(795,392)	(750,784)
AT 31 MAY 2017	<u>8,000</u>	<u>736,896</u>	<u>355,863</u>	<u>1,100,759</u>

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 May 2017

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	4,895,826	2,427,501
<i>Adjustments for:</i>		
Depreciation of tangible assets	124,972	144,068
(Gain)/loss on financial assets at fair value through profit or loss	(154,441)	31,251
Income from other fixed asset investments	(14,812)	(12,888)
Other interest receivable and similar income	(19,346)	(21,607)
Interest payable and similar expenses	2,578	2,167
Loss/(gains) on disposal of tangible assets	4,351	(8,802)
Tax on profit	1,156,553	607,113
<i>Changes in:</i>		
Stocks	(185,598)	(51,952)
Trade and other debtors	(1,447,963)	1,287,875
Trade and other creditors	(44,378)	(837,103)
Provisions and employee benefits	(1,277,333)	388,868
Cash generated from operations	3,040,409	3,956,491
Interest paid	(2,578)	(2,167)
Tax paid	(672,359)	(666,288)
Net cash from operating activities	<u>2,365,472</u>	<u>3,288,036</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(83,399)	(200,478)
Proceeds from sale of tangible assets	9,679	46,816
Purchases of other investments	(551,368)	(123,592)
Proceeds from sale of other investments	55,059	145,633
Dividends received	14,812	12,888
Interest received	19,346	21,607
Purchase of shares in subsidiary from non-controlling interest	2,750	–
Net cash used in investing activities	<u>(533,121)</u>	<u>(97,126)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(63,086)	–
Payments of finance lease liabilities	(18,829)	(5,522)
Dividends paid	(750,784)	(1,454,546)
Dividends paid to non-controlling interests	(110,050)	(111,835)
Net cash used in financing activities	<u>(942,749)</u>	<u>(1,571,903)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	889,602	1,619,007
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,224,943	4,605,936
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>7,114,545</u>	<u>6,224,943</u>

The notes on pages 16 to 35 form part of these financial statements.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Howdenshire Way, Knedlington Road, Howden, Goole, East Yorkshire, DN147HZ.

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 Director's report.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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.

Consolidation

The financial statements consolidate the financial statements of P V H Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

All financial statements are made up to 31 May 2017. 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 unless the transaction provides evidence of an impairment of the asset transferred.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

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 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 to the products and services supplied. This requires judgement as to whether a claim would likely give rise to a provision based on the group's 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 group's 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 are set out in the investment property note.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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 amount and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

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

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated 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 and 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

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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 measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its 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.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. TURNOVER

Turnover arises from:

	2017	2016
	£	£
Sale of goods	7,730,190	7,096,055
Rendering of services	13,965,328	11,721,151
	<u>21,695,518</u>	<u>18,817,206</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. OTHER OPERATING INCOME

	2017	2016
	£	£
Rental income	17,813	30,099
Management charges receivable	—	3,003
Other operating income	27,814	36,239
	<u>45,627</u>	<u>69,341</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

6. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2017 £	2016 £
Depreciation of tangible assets	124,972	144,068
Loss/(gains) on disposal of tangible assets	4,351	(8,802)
Cost of stocks recognised as an expense	11,061,310	10,249,614
Impairment of trade debtors	44,096	(30,513)
Operating lease rentals	7,762	32,012
Fees payable for the audit of the financial statements	29,750	26,000

7. AUDITOR'S REMUNERATION

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,400	2,000
Audit of the financial statements of the company's subsidiaries	27,350	24,000
	<u>29,750</u>	<u>26,000</u>

8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017 No.	2016 No.
Administration and management	<u>33</u>	<u>26</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	861,091	836,170
Social security costs	102,822	98,656
Other pension costs	107,524	246,290
	<u>1,071,437</u>	<u>1,181,116</u>

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	27,211	29,791
Company contributions to defined contribution pension plans	82,400	172,400
	<u>109,611</u>	<u>202,191</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

9. DIRECTORS' REMUNERATION *(continued)*

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

	2017	2016
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

10. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2017	2016
	£	£
Income from other fixed asset investments	<u>14,812</u>	<u>12,888</u>

11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
Interest on bank deposits	19,344	20,946
Other interest receivable and similar income	<u>2</u>	<u>661</u>
	<u>19,346</u>	<u>21,607</u>

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Interest on banks loans and overdrafts	–	357
Interest on obligations under finance leases and hire purchase contracts	2,578	1,810
	<u>2,578</u>	<u>2,167</u>

13. TAX ON PROFIT

Major components of tax income

	2017	2016
	£	£
Current tax:		
UK current tax expense/(income)	1,185,175	602,976
Adjustments in respect of prior periods	(2,029)	4,979
Total current tax	<u>1,183,146</u>	<u>607,955</u>
Deferred tax:		
Origination and reversal of timing differences	(26,593)	(842)
Tax on profit	<u>1,156,553</u>	<u>607,113</u>

The rate of corporation tax changed from 20% on 1 April 2017 to 19%. This results in an effective rate of 19.83% for the year.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

13. TAX ON PROFIT *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.83% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	6,052,379	3,034,614
Profit on ordinary activities by rate of tax	1,200,361	606,923
Adjustment to tax charge in respect of prior periods	(32,875)	(26)
Effect of expenses not deductible for tax purposes	8,466	3,920
Effect of revenue exempt from tax	–	(3,141)
Effect of different UK tax rates on some earnings	(6,211)	2,723
Dividend income	(2,696)	(2,563)
Other timing differences	(2,017)	(10,259)
Gains not taxable	–	9,536
Depreciation on non qualifying asset	2,580	–
Indexation on chargeable gains	(11,055)	–
Tax on profit	1,156,553	607,113

14. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on equity shares	750,784	1,454,546

15. TANGIBLE ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Investment property £	Total £
Cost						
At 1 Jun 2016	666,000	71,191	628,419	15,167	583,000	1,963,777
Additions	–	–	83,399	–	–	83,399
Disposals	–	(748)	(58,351)	(4,003)	–	(63,102)
At 31 May 2017	666,000	70,443	653,467	11,164	583,000	1,984,074
Depreciation						
At 1 Jun 2016	40,133	46,488	283,326	14,461	–	384,408
Charge for the year	13,008	6,271	105,503	190	–	124,972
Disposals	–	(735)	(44,599)	(3,738)	–	(49,072)
At 31 May 2017	53,141	52,024	344,230	10,913	–	460,308
Carrying amount						
At 31 May 2017	612,859	18,419	309,237	251	583,000	1,523,766
At 31 May 2016	625,867	24,703	345,093	706	583,000	1,579,369

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

15. TANGIBLE ASSETS *(continued)*

Company	Plant and machinery £	Investment property £	Total £
Cost			
At 1 June 2016	5,076	1,233,000	1,238,076
Disposals	(748)	–	(748)
At 31 May 2017	<u>4,328</u>	<u>1,233,000</u>	<u>1,237,328</u>
Depreciation			
At 1 June 2016	4,841	–	4,841
Charge for the year	79	–	79
Disposals	(735)	–	(735)
At 31 May 2017	<u>4,185</u>	<u>–</u>	<u>4,185</u>
Carrying amount			
At 31 May 2017	<u>143</u>	<u>1,233,000</u>	<u>1,233,143</u>
At 31 May 2016	<u>235</u>	<u>1,233,000</u>	<u>1,233,235</u>

Included within the above is investment property as follows:

	Group £	Company £
At 1 June 2016 and 31 May 2017	<u>583,000</u>	<u>1,233,000</u>
At 1 June 2016	<u>583,000</u>	<u>1,233,000</u>

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 2017.

The carrying value of freehold land included within land and buildings is £93,750 (2016 £93,750).

Motor vehicles with a carrying amount of £21,133 (2016 £40,388) have been pledged to secure finance obligations of the group. The group are 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)*

Year ended 31 May 2017

15. TANGIBLE ASSETS *(continued)*

Tangible assets held at valuation

Land and buildings with a carrying value of £650,000 were revalued up by £22,500 on 6 February 2015 by McBeath property Consultancy Limited, independent valuers not connected with the company 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 of 31 May 2017.

Previous revaluations were made in 2001 with an increase of £119,550 and in 2006 with an increase of £212,500.

The revaluation surplus is disclosed in the Statement of Changes in Equity.

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Freehold property £	Investment property £	Total £
At 31 May 2017			
Aggregate cost	295,450	214,290	509,740
Aggregate depreciation	(100,453)	–	(100,453)
Carrying value	<u>194,997</u>	<u>214,290</u>	<u>409,287</u>
At 31 May 2016			
Aggregate cost	295,450	214,290	509,740
Aggregate depreciation	(94,544)	–	(94,544)
Carrying value	<u>200,906</u>	<u>214,290</u>	<u>415,196</u>
Company			Investment property £
At 31 May 2017			
Aggregate cost			509,740
Aggregate depreciation			–
Carrying value			<u>509,740</u>
At 31 May 2016			
Aggregate cost			509,740
Aggregate depreciation			–
Carrying value			<u>509,740</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

15. TANGIBLE ASSETS *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Motor vehicles £
At 31 May 2017	21,133
At 31 May 2016	40,388

The company has no tangible assets held under finance lease or hire purchase agreements.

16. INVESTMENTS

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 June 2016 and 31 May 2017	143,032
Impairment	
At 1 June 2016 and 31 May 2017	—
Carrying amount	
At 1 June 2016 and 31 May 2017	143,032
At 31 May 2016	143,032

Listed investments

Group	Other investments other than loans £
At 31 May 2017	
Carrying value of listed investments	—
Aggregate market value	—
At 31 May 2016	
Carrying value of listed investments	556,126
Aggregate market value	556,126

The company has no listed investments.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

16. INVESTMENTS *(continued)*

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 investment at 31 May 2016 was £509,580.

As the listed investments were sold after the year ended 31 May 2017 they have been reported as a current asset investment at this date - see note 19.

Investments held at valuation

In respect of investments held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Other loans £
At 31 May 2017	
Aggregate cost	-
Aggregate depreciation	-
	-
Carrying value	-
	-
At 31 May 2016	
Aggregate cost	509,580
Aggregate depreciation	-
	-
Carrying value	509,580

The company has no investments held at valuation.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
	Howdenshire Way, Knedlington Road, Howden, Goole, East Yorkshire DN14		
Crest Brick Slate & Tile Limited	7HZ	Ordinary	99.9
Crest Roofing Limited	As above	Ordinary A	90
Crown Roofing (Centres) Limited	As above	Ordinary A	80
Excel Roofing Services Limited	As above	Ordinary A	85
Jawsco 1 Limited	As above	Ordinary	100
Jawsco 2 Limited	As above	Ordinary	100
Jawsco 3 Limited	As above	Ordinary	82

The shares 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)*

Year ended 31 May 2017

17. STOCKS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	393,552	207,954	–	–

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

18. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	4,417,854	3,100,506	–	–
Amounts owed by group undertakings	–	–	12,179	–
Prepayments and accrued income	126,896	78,719	58,592	17,912
Amounts recoverable on contracts	154,766	–	–	–
Other debtors	12,448	84,776	–	–
	<u>4,711,964</u>	<u>3,264,001</u>	<u>70,771</u>	<u>17,912</u>

19. INVESTMENTS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other investments	1,206,876	–	–	–

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 £1,014,342.

At 31 May 2017 the listed investments were reported as a current asset as they were sold after the year end.

20. CREDITORS: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	1,709,837	1,665,788	25,643	13,874
Amounts owed to group undertakings	–	–	148,800	148,800
Accruals and deferred income	235,585	420,301	15,330	12,485
Corporation tax	927,819	417,032	30,468	10,446
Social security and other taxes	362,903	359,232	14,873	21,402
Obligations under finance leases and hire purchase contracts	5,352	18,828	–	–
Other creditors	97,120	67,589	45,758	46,230
	<u>3,338,616</u>	<u>2,948,770</u>	<u>280,872</u>	<u>253,237</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

20. CREDITORS: amounts falling due within one year *(continued)*

Hire purchase obligations are secured on the assets to which they relate.

21. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>22,360</u>	<u>27,713</u>	<u>-</u>	<u>-</u>

Hire purchase obligations are secured on the assets to which they relate.

22. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	6,997	21,406	-	-
Later than 1 year and not later than 5 years	<u>23,730</u>	<u>30,728</u>	<u>-</u>	<u>-</u>
	30,727	52,134	-	-
Less: future finance charges	<u>(3,015)</u>	<u>(5,593)</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>27,712</u>	<u>46,541</u>	<u>-</u>	<u>-</u>

23. PROVISIONS

Group	Defect Provisions £	Deferred tax (note 24) £	Dilapidations provision £	Total £
At 1 June 2016	3,535,650	90,213	102,342	3,728,205
Additions	309,700	-	-	309,700
Charge against provision	<u>(1,519,900)</u>	<u>-</u>	<u>(67,133)</u>	<u>(1,587,033)</u>
At 31 May 2017	<u>2,325,450</u>	<u>90,213</u>	<u>35,209</u>	<u>2,450,872</u>
Company		Deferred tax (note 24) £	Dilapidations provision £	Total £
At 1 June 2016		56,500	102,342	158,842
Charge against provision		-	(67,133)	(67,133)
At 31 May 2017		<u>56,500</u>	<u>35,209</u>	<u>91,709</u>

Defect provisions

A provision has been recognised for expected defect claims on goods and services sold during the last 10 years.

Dilapidation

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)*

Year ended 31 May 2017

24. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 23)	<u>90,213</u>	<u>116,806</u>	<u>56,500</u>	<u>101,126</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	9,379	15,735	24	42
Revaluation of tangible assets	31,142	55,237	-	-
Fair value adjustment of investment property	25,358	45,847	56,500	101,084
Investments	26,948	-	-	-
Short term timing differences	(2,614)	(13)	(24)	-
	<u>90,213</u>	<u>116,806</u>	<u>56,500</u>	<u>101,126</u>

The group's deferred tax liability is expected to reverse by £83,448 within the next year due to the sale of the freehold and investment property and the share portfolio after the year end.

The company's deferred tax liability is expected to reverse by £56,500 within the next year due to the sale of the investment property after the year end.

25. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £105,124 (2016: £246,290).

26. FINANCIAL INSTRUMENTS

	Group	2016	Company	2016
	2017		2017	
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,585,068	3,100,606	12,179	-
Instruments measured at fair value through profit or loss	<u>1,206,876</u>	<u>556,126</u>	<u>-</u>	<u>-</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>2,070,253</u>	<u>2,153,678</u>	<u>235,531</u>	<u>221,389</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

27. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary A shares shares of £1 each	3,600	3,600	3,600	3,600
Ordinary B shares shares of £1 each	3,600	3,600	3,600	3,600
Ordinary C shares shares of £1 each	400	400	400	400
Ordinary C shares shares of £1 each	400	400	400	400
	<u>8,000</u>	<u>8,000</u>	<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

Revaluation reserve - This reserve records the value of asset revaluations in respect of freehold land and buildings. Other reserves - This reserve records fair value movements in respect of investment properties and listed investments. Profit and loss account - This reserve records retained earnings and accumulated losses.

29. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Not later than 1 year	28,588	32,409	2,762	3,683
Later than 1 year and not later than 5 years	89,913	96,501	–	2,762
Later than 5 years	38,500	60,500	–	–
	<u>157,001</u>	<u>189,410</u>	<u>2,762</u>	<u>6,445</u>

30. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 6 March 2018 the group was purchased by Brickability Enterprises Investments Limited.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

31. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Dividends totaling £750,784 (2016 - £1,454,546) 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
	£	£	£
Directors Loan Accounts	-	45,636	45,636

There is no interest charged on these amounts and no amounts have been waived or written off.

32. RELATED PARTY TRANSACTIONS

Group

Remuneration of key management personnel

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

	2017	2016
	£	£
Aggregate compensation	110,375	204,031

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 May 2017

32. RELATED PARTY TRANSACTIONS *(continued)*

Company

Transactions with related parties

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

	Purchase of goods	
	2017	2016
	£	£
Company		
Entities over which the company has control, joint control or significant influence	-	1,180

	Management charges and expenses receivable		Interest payable	
	2017	2016	2017	2016
	£	£	£	£
Company				
Entities over which the entity has control, joint control or significant influence	220,466	135,940	3,000	3,000

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	£	£
Company		
Entities over which the company has control, joint control or significant influence	148,800	148,800

Transactions between group companies are made on the companies usual terms and conditions. Amounts outstanding are unsecured and will be settled in cash. No amounts have been waived or written off and no guarantees have been given or received.

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties
	2017
	£
Company	
Entities with control, joint control or significant influence over the company	12,179

Transactions between group companies are made on the companies usual terms and conditions. Amounts outstanding are unsecured and will be settled in cash. No amounts have been waived or written off and no guarantees have been given or received.