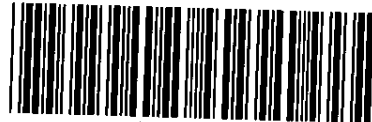


COMPANY REGISTRATION NUMBER: 02484708

P V H HOLDINGS LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2022

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P V H HOLDINGS LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 2022

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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
Mr A J Simpson
Ms J Kelmonaite

Company secretary

Addleshaw Goddard (Scotland) Secretarial Limited

Registered office

Howdenshire Way
Knedlington Road
Howden
Goole
East Yorkshire
DN14 7HZ

Bankers

HSBC UK Bank Plc
28 High Street
Uxbridge
UB8 1JN

P V H HOLDINGS LIMITED

STRATEGIC REPORT

Year ended 31 March 2022

The directors present the strategic report for the year ended 31 March 2022.

Review of the business

The company is a holding company that manages its subsidiaries, which provide roofing construction services and supply superior quality building materials within the UK construction industry. The company and its subsidiaries are members of the Brickability Group, whose objective is to be the United Kingdom's leading specialist supplier in the housebuilding sector.

Results, performance and business environment

The company's results for the period are set out in the attached financial statements. The consolidated results of the company and its subsidiaries are included within the group financial statements of Brickability Group PLC.

The company incurred a loss of £72,608 (2021: £7,422) in the year and had net assets of £756,734 (2021: £790,437) at the reporting date.

Given the company's position as a holding company, the directors do not consider it necessary to monitor other key performance indicators (KPIs) for the individual entity. KPIs are managed on a group wide basis, including regular assessment of EBITDA (earnings before interest, tax, depreciation and amortisation) for the trading companies. Costs are also reviewed frequently and cash is continuously monitored, in order to maximise cash generation.

Strategy

The board remain fully committed to supporting the existing operations of the business and seek to make further investments, as appropriate, to continue the growth of the group and ensure that it has sufficient resources to meet any future challenges and opportunities that may arise.

Principal risks and uncertainties

The primary risk to the company is a fall in the value of its investments. Key risks and uncertainties are considered on a group wide basis as ultimately the performance of the subsidiaries will impact the investment value.

The main risks facing the company's subsidiaries are a shortage in the supply of building materials, price rises within the market and the general economic volatility that could slow the house building and construction industry. The group's strategy is to actively mitigate and manage these risks and any consequences of a reduction in demand and supply within its control. The group has robust buying power within the marketplace and continues to ensure supply of materials by maintaining excellent relationships with its suppliers, in both the UK and EU. The company continuously reviews its margins and pricing within the market by customer, supplier and product. Where possible it seeks to secure fixed pricing over a longer period with key suppliers to maintain pricing continuity. It also maintains close relationships with principal customers and, while key customers are considered to be financially robust, credit risk is still being monitored continuously.

Future developments

The company will continue to operate as an intermediate holding company.

Despite the ongoing economic uncertainty and price rises across the industry and global markets, the group continues to maintain a strong order book and is well placed and able to adapt as necessary to further fluctuations in the market.

The group has continued to perform well and trade profitably since the year end. The group's strategy and ongoing monitoring of costs and other KPIs has enabled it to react quickly and appropriately to changes in the industry. The group therefore still has a firm foundation on which to consolidate its position in the market and for growth in the future, as opportunities arise within the marketplace, which will protect the value of the company's investments.

P V H HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2022

Section 172(1) Statement

In compliance with the Companies Act 2006, the directors are required to act in accordance with a set of general duties. During the year to 31 March 2022, the directors consider that they have, individually and collectively, acted in a way that they consider in good faith would be most likely to promote the success of the company for the benefit of its shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long term and the company's wider relationships. In doing so, the directors have had regard to the matters contained in section 172(1)(a)-(f) of the Companies Act 2006.

The directors have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

The directors recognise the importance of building and maintaining relationships with its key stakeholders, and considering the external impact of the company's operations, in order to achieve long term success.

Stakeholder engagement

The directors consider the views and interests of its key stakeholders when making decisions. During the year, the directors used information received to contemplate the potential impact of the company's decisions on those key stakeholders. This information was distributed in a range of formats, including reports and presentations on financial and operational performance, non-financial KPIs and risk. The directors acknowledge that not every decision made will necessarily result in a positive outcome for all stakeholders, with difficult decisions sometimes required based on competing priorities. By considering the company's purpose and values, together with its strategic priorities and having a process in place for decision making, the directors aim to balance those different perspectives.

As an intermediate holding company within the Brickability Group, the company provides services to its subsidiaries and does not have any external customers or suppliers. The board of directors (the "board") consists of directors from various subsidiaries within the P V H Holdings Group. Stakeholder engagement will often take place at an operational level, with each director reporting to the board their views of the stakeholders relevant to their own trading subsidiaries. In addition, certain stakeholder engagement will be led at Brickability Group PLC group level, particularly when matters are of group wide significance.

The key stakeholders of the individual company are its:

- Shareholders, including those of its ultimate parent;
- Subsidiaries; and
- Employees.

Further details of these key stakeholders and how the company and directors engage with them are outlined below.

Shareholders

The company is a wholly owned subsidiary and its ultimate parent is listed on the AIM. Three members of the board are also members of the Brickability Group management board and thus company matters are regularly reported to the group's board through frequent meetings and communication. The company engages with its parent company on various matters including the group's strategy, group policies and governance matters.

P V H HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2022

Subsidiaries

The company engages with its subsidiaries through regular meetings, consulting them on a wide range of matters including group funding decisions, group policies, governance, operational matters and the delivery of the group's strategy.

Employees

Employees value job security, the opportunity to develop and being rewarded for their hard work. They also wish to work in an encouraging environment and be kept informed of changes in the business. The company therefore aims to attract, retain and motivate the highest calibre of personnel. The directors engage with employees in a variety of ways, including regular office and team meetings. Appropriate training is also offered to develop and support staff.

Furthermore, directors take into account the views of a wider set of stakeholders, as outlined by the individual directors reporting to the board. This wider list of stakeholders includes group customers, suppliers and employees, industry regulators and the environment and community. Further details of these additional stakeholders are outlined in Brickability Group PLC's annual report and financial statements.

Impact on decision making

There has not been any significant change in the company's strategy during the year. Matters that have had an impact on the company's key stakeholders are as follows:

Event	Stakeholders primarily affected	Impact
Group share options	Employees	During the year, the Group issued CSOP and LTIP awards to employees. This provided an opportunity to reward staff within the company and align the interests of both employees and shareholders, aiding the objective of retaining key employees.
Corporate governance	Shareholders, subsidiaries	The board regularly engages with the company's ultimate parent through the Brickability Group PLC management board. This ensures that the company and its subsidiaries continue to comply with group policies and adhere to the group's high standards of business conduct.

This report was approved by the board of directors on 19 December 2022 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 March 2022

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2022.

Directors

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

Mr S D Pearson
Mr A B G Van Huet
Mr A J Simpson
Ms J Kelmonaite
Mr A W Virgo (Resigned 30 September 2021)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

Expected future development of the company are outlined within the Strategic Report on pages 2 to 4 of the financial statements.

Greenhouse gas emissions and energy consumption

Information not included

In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, details of the company's carbon emissions are not disclosed as the appropriate disclosures are included within the consolidated financial statements of its ultimate parent, Brickability Group PLC.

P V H HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 March 2022

Financial instruments

Financial risk management

The company is the parent company of subsidiaries whose operations expose it to a variety of financial risks, including the effects of changes in the construction industry driven by the economy. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the group by monitoring the economy for indications of volatility. The company's principal financial instruments comprise investments in its subsidiaries and group loans. The policies set by the board are implemented by the company's finance department.

Price risk management

Due to the nature of the financial instruments used by the company there is no exposure to market price risk.

Credit risk management

Due to the nature of the financial instruments used by the company there is minimal exposure to external credit risk, with debtors primarily relating to amounts due from group undertakings. The company's trading subsidiaries have implemented policies that require appropriate credit checks on potential customers before sales are made. Customers are assigned credit limits and overdue debts are chased on a regular basis.

Liquidity risk and cash flow management

The company actively monitors its liquidity and cash flow position to ensure the continuity of funding throughout the group. Certain banking arrangements are made through the company's ultimate parent and thus the company undertakes regular cash flow forecasting to ensure that bank and other borrowing facilities are sufficient to meet working capital requirements and ultimately ensure it has sufficient cash in order to fund its activities.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 22 to the financial statements.

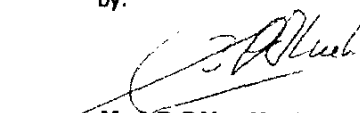
Qualifying indemnity provision

During the year, the company maintained liability insurance for its directors and officers, as permitted by the company's articles of association which allow the indemnification of directors or officers out of the assets of the company to the extent permitted by law. The qualifying third-party indemnity arrangements were in place throughout the current and prior year and remain in place as at the date of approving these financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

This report was approved by the board of directors on 19 December 2022 and signed on behalf of the board by:



Mr A B G Van Huet
Director

P V H HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2022

	Note	2022 £	2021 £
Administrative expenses		(335,337)	(215,487)
Other operating income	4	<u>255,588</u>	<u>208,429</u>
OPERATING LOSS	5	<u>(79,749)</u>	<u>(7,058)</u>
Other interest receivable and similar income	8	<u>—</u>	<u>64</u>
LOSS BEFORE TAXATION		<u>(79,749)</u>	<u>(6,994)</u>
Tax on loss	9	<u>7,141</u>	<u>(428)</u>
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>(72,608)</u>	<u>(7,422)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

P V H HOLDINGS LIMITED

BALANCE SHEET

31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	11	4,223,030	3,170,014
CURRENT ASSETS			
Debtors	12	19,754,500	17,459,119
Cash at bank and in hand		32,216	45,531
		<u>19,786,716</u>	<u>17,504,650</u>
CREDITORS: amounts falling due within one year	13	(21,799,996)	(19,309,227)
NET CURRENT LIABILITIES		<u>(2,013,280)</u>	<u>(1,804,577)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,209,750</u>	<u>1,365,437</u>
CREDITORS: amounts falling due after more than one year	14	(1,453,016)	(575,000)
NET ASSETS		<u>756,734</u>	<u>790,437</u>
CAPITAL AND RESERVES			
Called up share capital	19	8,000	8,000
Capital contribution	20	38,905	-
Profit and loss account	20	709,829	782,437
SHAREHOLDERS FUNDS		<u>756,734</u>	<u>790,437</u>

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 19 December 2022, and are signed on behalf of the board by:


Mr A B G Van Huet
Director

Company registration number: 02484708

The notes on pages 10 to 21 form part of these financial statements.

P V H HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Called up share capital £	Capital contribution £	Profit and loss account £	Total £
AT 1 APRIL 2020	8,000	–	789,859	797,859
Loss for the year	—	—	(7,422)	(7,422)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	(7,422)	(7,422)
AT 31 MARCH 2021	8,000	–	782,437	790,437
Loss for the year	—	—	(72,608)	(72,608)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	(72,608)	(72,608)
Equity settled share-based payments	–	27,716	–	27,716
Deferred tax on equity settled share-based payment transactions	–	11,189	–	11,189
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	–	38,905	–	38,905
AT 31 MARCH 2022	8,000	38,905	709,829	756,734

The notes on pages 10 to 21 form part of these financial statements.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. GENERAL INFORMATION

The company is a private company limited by shares, incorporated in England & Wales. The address of the registered office is Howdenshire Way, Knedlington Road, Howden, Goole, East Yorkshire, DN14 7HZ.

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' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

3. ACCOUNTING POLICIES *(continued)*

Going concern

The company is a holding company, with its assets primarily relating to investments in and balances due from group undertakings. As such, the directors have considered the recoverability and potential impairment of these assets.

In their assessment of the recoverability of group balances and of the business as a going concern, the directors have considered the impact of the economic volatility, that may slow the construction and housebuilding industries, on group undertakings. In particular, the group is impacted by inflationary price rises, which increase its cost base, and also interest rate rises, which could lower the demand for mortgages and new build housing.

The company is part of the Brickability Group, which is in a strong cash position and has a group level borrowing facility with significant headroom. The directors have assessed the potential impact on both the company and wider group over the period to 31 March 2024. Budgets have been prepared taking into account actual results to August 2022 and estimated future revenues and profits, based on management's expectations under current and anticipated market conditions. Management has considered inflationary increases in pricing, which will likely impact overhead costs, as well as the potential impact of continued material price increases on margins and turnover. The budgets have also been stress tested to assess the potential impact of a fall in demand on the trading companies.

The group regularly monitors margins and, where possible, seeks to secure fixed pricing over a longer period with key suppliers to maintain pricing continuity. It also seeks to diversify its supplier base, using companies in the UK and Europe to minimise disruption caused by delays or issues experienced by individual suppliers. Furthermore, it maintains close relationships with both key customers and suppliers to manage expectations and secure delivery of products at the best prices possible.

Based on the forecast results and headroom during the stress tests, together with the group's profitable post year end results and strong order books, it is considered extremely unlikely that turnover would fall to such a level that would result in the group being unable to meet its obligations. The directors therefore do not consider that there is any impairment of the assets held.

After making appropriate enquiries, including consideration of recent budgets, group banking facilities, ongoing relationships with key trading partners and a review of the company's risk assessments, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Brickability Group PLC which can be obtained from the company's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG and from its website. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) the requirement to present a cash flow statement under Section 7 Statement of Cash Flows;
- (b) the requirements of eligible paragraphs within Sections 11 and 12 concerning financial instrument disclosures;
- (c) the requirements of eligible paragraphs within Section 26 concerning share-based payment arrangements of the company's ultimate parent; and
- (d) the requirement to disclose the aggregate remuneration of key management personnel in accordance with paragraph 33.7.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of the UK.

Its financial statements are consolidated into the financial statements of Brickability Group PLC, which can be obtained from the company's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG.

Judgements and key sources of estimation uncertainty

In the application of the company'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.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Contingent consideration

Where the cost of a business combination is subject to consideration that is contingent on future events, the investment cost is subsequently adjusted to the extent that further consideration becomes probable and can be measured reliably. The cost of the company's investment in McCann Logistics Ltd is subject to a contingent consideration agreement, whereby the final amount payable is dependent on future performance and the company achieving pre-determined EBITDA targets over the three years following acquisition. The amount of the adjustment is estimated based on forecast results, which determine the amount likely to be payable as a result of performance targets being met. These forecasts and the probability of the consideration being payable is therefore subject to management's judgement and estimates of turnover, costs and EBITDA over the period to 30 April 2023.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

3. ACCOUNTING POLICIES *(continued)*

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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:

Plant and machinery	- 25% Reducing balance
---------------------	------------------------

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.

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.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

3. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets *(continued)*

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.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. 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 entity after deducting all of its financial liabilities.

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.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

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.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

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 pensions

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.

Share-based payments

The company's employees participate in a group share option scheme and long-term incentive plan. Equity instruments of the ultimate parent company are offered in exchange for services rendered to the company.

Equity-settled share-based payment transactions are measured at fair value at the date of the grant, as determined by a group valuation at that date. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the number of share options that will eventually vest. At each reporting date, the company revises its estimate of the number of share options expected to vest as a result of non-market-based vesting conditions. The probability of market conditions being met are not subsequently adjusted for. Any impact of a revision to the original estimates is recognised in the profit or loss account such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

The expense recognised by the company is on the basis of a reasonable allocation of the expense for the group, with this allocation based on the number of share options held by employees of the company as a proportion of the total share options granted and expected to vest. The expense includes provision for any employment taxes expected to be incurred, with a corresponding liability included within other creditors.

4. OTHER OPERATING INCOME

	2022	2021
	£	£
Management charges receivable	255,338	194,550
Government grant income	—	13,879
Other operating income	250	—
	<u>255,588</u>	<u>208,429</u>

Further details concerning government grant income are disclosed in note 18.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Equity-settled share-based payments expense	39,744	—

6. STAFF COSTS

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

	2022	2021
	No.	No.
Administrative staff	3	3
Management staff	2	2
	<u>5</u>	<u>5</u>

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

	2022	2021
	£	£
Wages and salaries	270,523	156,476
Social security costs	25,681	16,375
Other pension costs	3,703	2,391
	<u>299,907</u>	<u>175,242</u>

7. DIRECTORS' REMUNERATION

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

	2022	2021
	£	£
Remuneration	71,373	45,500
Company contributions to defined contribution pension plans	1,275	1,200
	<u>72,648</u>	<u>46,700</u>

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

	2022	2021
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Interest on cash and cash equivalents	<u>—</u>	<u>64</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

9. TAX ON LOSS

Major components of tax (income)/expense

	2022 £	2021 £
Deferred tax:		
Origination and reversal of timing differences	(7,141)	428
Tax on loss	<u>(7,141)</u>	<u>428</u>

Reconciliation of tax (income)/expense

The tax assessed on the loss on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Loss on ordinary activities before taxation	(79,749)	(6,994)
Loss on ordinary activities by rate of tax	(15,152)	(1,329)
Effect of expenses not deductible for tax purposes	419	138
Effect of different UK tax rates on some earnings	(12)	–
Group relief	7,604	1,619
Tax on loss	<u>(7,141)</u>	<u>428</u>

10. TANGIBLE ASSETS

	Plant and machinery £	Total £
Cost		
At 1 April 2021 and 31 March 2022	<u>4,328</u>	<u>4,328</u>
Depreciation		
At 1 April 2021 and 31 March 2022	<u>4,328</u>	<u>4,328</u>
Carrying amount		
At 31 March 2022	<u>–</u>	<u>–</u>
At 31 March 2021	<u>–</u>	<u>–</u>

11. INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2021	3,170,014
Additions	1,053,016
At 31 March 2022	<u>4,223,030</u>
Impairment	
At 1 April 2021 and 31 March 2022	<u>–</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

11. INVESTMENTS *(continued)*

	Shares in group undertakings £
Carrying amount At 31 March 2022	4,223,030
At 31 March 2021	3,170,014

Subsidiaries, associates and other investments

During the year, an amount of £1,053,016 was recognised in respect of additional consideration payable for the acquisition of McCann Logistics Ltd, which is contingent on future performance. The directors consider that payment of this additional consideration is probable based on the latest forecasts and information available.

Subsidiary undertakings

	Country of incorporation	Class of share	Percentage of shares held
Crest Brick Slate & Tile Limited	England and Wales	Ordinary A, B & C	100
Crest Roofing Limited	England and Wales	Ordinary A, B & C	100
Crown Roofing (Centres) Limited	England and Wales	Ordinary	100
Excel Roofing Services Limited	England and Wales	Ordinary A, B & C	100
McCann Roofing Products Limited	England and Wales	Ordinary	100
McCann Logistics Ltd	England and Wales	Ordinary	100

The shares in McCann Roofing Products Limited are held by Crest Brick Slate & Tile Limited.

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

12. DEBTORS

	2022 £	2021 £
Amounts owed by group undertakings	19,712,337	17,436,917
Deferred tax asset	18,371	41
Prepayments and accrued income	23,792	22,161
	<u>19,754,500</u>	<u>17,459,119</u>

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

13. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	21,670	24,159
Amounts owed to group undertakings	21,549,841	18,813,469
Accruals and deferred income	34,213	4,206
Social security and other taxes	17,043	14,273
Other creditors	177,229	453,120
	<u>21,799,996</u>	<u>19,309,227</u>

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

	2022	2021
	£	£
Other creditors	<u>1,453,016</u>	<u>575,000</u>

15. DEFERRED TAX

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

	2022	2021
	£	£
Included in debtors (note 12)	<u>18,371</u>	<u>41</u>

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

	2022	2021
	£	£
Share-based payments	(18,321)	–
Short term timing differences	<u>(50)</u>	<u>(41)</u>
	<u>(18,371)</u>	<u>(41)</u>

The company's deferred tax asset is not expected to move in the next year.

16. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,703 (2021: £2,391).

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

17. SHARE-BASED PAYMENTS

The company's ultimate parent operates a Company Share Option Plan (CSOP) and Long-term Incentive Plan (LTIP), whereby share options are granted to certain employees of the company. The share-based payments are equity-settled through the issue of shares in the company's ultimate parent.

Options under the CSOP scheme are exercisable at a price equal to the market value per ordinary share at the grant date. Options have a vesting period of three years and a contractual life of ten years. Options granted under the LTIP scheme are exercisable at the nominal price of £0.01. They also have a vesting period of three years and a contractual life of ten years.

LTIP share options and some CSOP options have performance based vesting conditions dependent on total shareholder return (TSR) and adjusted EBITDA, with each award split equally between the two performance conditions. Vesting occurs on a straight-line basis on achieving 18% (equivalent to 6% per annum) to 30% (equivalent to 10% annually) of the relevant performance condition over a three-year performance period. This is no vesting if the relevant target is not met but a 50% or 25% vesting if the initial 18% hurdle is met with a proportionate additional vesting of up to 100% at the 30% threshold being met.

All options are forfeited if the employee leaves employment before the options vest, unless considered a 'good leaver'.

18. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	—	13,879

During the prior year, the company received government grants in response to the global COVID-19 pandemic. The grant income related to support in respect of payroll costs of the company's employees. The company does not have any unfulfilled obligations or other contingencies relating to the support scheme.

19. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary A shares of £1 each	3,600	3,600	3,600	3,600
Ordinary B shares of £1 each	3,600	3,600	3,600	3,600
Ordinary C shares of £1 each	400	400	400	400
Ordinary D 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.

P V H HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2022

20. RESERVES

The called up share capital reserve represents the nominal value received for shares issued.

The capital contribution reserve records the cumulative value of equity settled share-based payments in respect of share options issued by the company's ultimate parent to employees of the company.

The profit and loss account represents the total of all current and prior period retained profits and losses.

21. CONTINGENCIES

The company has provided a guarantee in respect of a bank loan held by its ultimate parent company. The maximum potential liability, in respect of this debt, at 31 March 2022 was £24.6m. The bank loan is secured by a fixed and floating charge over all property and undertakings of the company.

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no subsequent events requiring further disclosure or adjustments to these financial statements.

23. RELATED PARTY TRANSACTIONS

In accordance with FRS 102, transactions with wholly owned group companies that are included within the ultimate parent undertaking's financial statements are not disclosed.

24. CONTROLLING PARTY

The company's immediate parent undertaking is Brickability Enterprises Investments Limited, whose registered office is C/O Brickability Limited South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG.

Brickability Group PLC is the company's ultimate parent undertaking and the parent of the group for which consolidated financial statements are prepared. Copies of the group accounts can be obtained from Brickability Group PLC's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG and from its website. The directors consider that there is no ultimate controlling party. The majority shareholders of Brickability Group PLC are stated in the group's annual report.