

REGISTERED NUMBER: 03195231 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019
FOR
P.J. LIVESEY HOLDINGS LIMITED**

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

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FOR THE YEAR ENDED 30TH JUNE 2019**

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P.J. LIVESEY HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2019**

DIRECTORS:

Mr P J Livesey
Mrs D A Livesey
Mr R Brocklehurst
Mrs G A Lynch
Mr J N D Woodmansee
Mr C D Lynch
Mr M Duckett

SECRETARY:

Mrs D A Livesey

REGISTERED OFFICE:

Ashburton Park
Ashburton Road West
Trafford Park
Manchester
M17 1AF

REGISTERED NUMBER:

03195231 (England and Wales)

AUDITORS:

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

The directors present their strategic report of the company and the group for the year ended 30th June 2019.

REVIEW OF BUSINESS

The principal activity of the group is that of the construction of residential properties, through specialist restoration and new build developments.

The three key performance indicators of the group are as follows:

1. Shareholders' funds

The directors want to ensure that a return is delivered for the shareholders on the capital employed in the business. Shareholders' funds have increased to £45,043,640 from £45,016,437 at the end of the previous year. Whilst this return is only 0.1%, the directors are satisfied with delivering a positive return during challenging times within the construction industry.

2. Cash at bank

The directors look to maintain a healthy cash balance so that there is good availability for furthering developments and in case of an economic downturn. The availability of cash at bank has decreased during the year to £11,588,266 from £13,151,399. Despite the fall, the group still has cash available above what is targeted and the directors believe this puts the group on a stable footing to continue to procure suitable land for future developments.

3. Gearing

The directors target a modest level of gearing so as to limit their exposure in times of an economic downturn or housing crash. The gearing level is calculated as debt as a percentage of debt plus equity. The gearing level has fallen to 33% from 34% in the previous year. The directors are pleased that a modest gearing level has been maintained.

Overall the directors believe the group is in a stable financial position and are satisfied with the performance of the group considering the current economy and construction industry.

PRINCIPAL RISKS AND UNCERTAINTIES

The majority risks and uncertainties facing the Group are related to the future of the property market, availability of the suitable sites and the availability of finance. The directors believe that as a result of the timely action they have taken, the group is in a strong position.

FINANCIAL INSTRUMENTS RISKS

The directors meet regularly to discuss financial instrument risks. In particular, the directors aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

ON BEHALF OF THE BOARD:

Mrs G A Lynch - Director

30th March 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2019**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2019.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the construction of residential properties, through specialist restoration and new build developments.

DIVIDENDS

An interim dividend of £3,750 per share was paid on 26th June 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th June 2019 will be £ 375,000 .

FUTURE DEVELOPMENTS

No changes to the group's business are anticipated.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2018 to the date of this report.

Mr P J Livesey
Mrs D A Livesey
Mr R Brocklehurst
Mrs G A Lynch
Mr J N D Woodmansee
Mr C D Lynch
Mr M Duckett

Other changes in directors holding office are as follows:

Mr J W Allcock - resigned 10th November 2018
Mr P G Richardson - resigned 8th October 2018
Mr G W Graves - resigned 1st February 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ainsworths Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs G A Lynch - Director

30th March 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF P.J. LIVESEY HOLDINGS LIMITED

Opinion

We have audited the financial statements of P.J. Livesey Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th June 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30th June 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF P.J. LIVESEY HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Michael Heys (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

30th March 2020

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

	Notes	30.6.19 £	£	30.6.18 £	£
TURNOVER	3		60,294,954		65,988,468
Cost of sales			<u>54,316,942</u>		<u>56,180,534</u>
GROSS PROFIT			5,978,012		9,807,934
Distribution costs		1,368,904		1,262,607	
Administrative expenses		<u>4,019,688</u>		<u>4,001,214</u>	
			5,388,592		5,263,821
			589,420		4,544,113
Other operating income			<u>78,003</u>		<u>71,799</u>
OPERATING PROFIT	5		667,423		4,615,912
(Loss)/profit on the sale of investment property	6		<u>(8,960)</u>		<u>212,241</u>
			658,463		4,828,153
Interest receivable and similar income			<u>9,285</u>		<u>9,032</u>
			667,748		4,837,185
Interest payable and similar expenses	7		<u>177,285</u>		<u>165,398</u>
PROFIT BEFORE TAXATION			490,463		4,671,787
Tax on profit	8		<u>88,260</u>		<u>733,359</u>
PROFIT FOR THE FINANCIAL YEAR			<u>402,203</u>		<u>3,938,428</u>
Profit attributable to: Owners of the parent			<u>402,203</u>		<u>3,938,428</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

	Notes	30.6.19 £	30.6.18 £
PROFIT FOR THE YEAR		402,203	3,938,428
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>402,203</u>	<u>3,938,428</u>
Total comprehensive income attributable to: Owners of the parent		<u>402,203</u>	<u>3,938,428</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30TH JUNE 2019

	Notes	30.6.19 £	£	30.6.18 £	£
FIXED ASSETS					
Tangible assets	11		7,859,172		9,072,594
Investments	12		-		-
Investment property	13		1,209,800		476,260
			<u>9,068,972</u>		<u>9,548,854</u>
CURRENT ASSETS					
Stocks	14	56,677,160		65,551,131	
Debtors	15	2,608,852		1,821,073	
Cash at bank and in hand		<u>11,588,266</u>		<u>13,151,399</u>	
		70,874,278		80,523,603	
CREDITORS					
Amounts falling due within one year	16	<u>32,946,320</u>		<u>42,490,962</u>	
NET CURRENT ASSETS			<u>37,927,958</u>		<u>38,032,641</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>46,996,930</u>		<u>47,581,495</u>
CREDITORS					
Amounts falling due after more than one year	17		(1,868,749)		(2,565,058)
PROVISIONS FOR LIABILITIES	20		(84,541)		-
NET ASSETS			<u>45,043,640</u>		<u>45,016,437</u>
CAPITAL AND RESERVES					
Called up share capital	21		100		100
Retained earnings	22		<u>45,043,540</u>		<u>45,016,337</u>
SHAREHOLDERS' FUNDS			<u>45,043,640</u>		<u>45,016,437</u>

The financial statements were approved by the Board of Directors on 30th March 2020 and were signed on its behalf by:

Mrs G A Lynch - Director

COMPANY BALANCE SHEET
30TH JUNE 2019

	Notes	30.6.19 £	£	30.6.18 £	£
FIXED ASSETS					
Tangible assets	11		1,670,180		2,409,552
Investments	12		4,000,130		3,787,714
Investment property	13		<u>-</u>		<u>-</u>
			5,670,310		6,197,266
CURRENT ASSETS					
Stocks	14	64,461		38,424	
Debtors	15	28,070,125		34,469,455	
Cash at bank and in hand		<u>10,121,690</u>		<u>8,852,642</u>	
		38,256,276		43,360,521	
CREDITORS					
Amounts falling due within one year	16	<u>7,797,728</u>		<u>9,851,344</u>	
NET CURRENT ASSETS			<u>30,458,548</u>		<u>33,509,177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			36,128,858		39,706,443
CREDITORS					
Amounts falling due after more than one year	17		-		(121,308)
PROVISIONS FOR LIABILITIES	20		<u>(232,831)</u>		<u>-</u>
NET ASSETS			<u>35,896,027</u>		<u>39,585,135</u>
CAPITAL AND RESERVES					
Called up share capital	21		100		100
Retained earnings	22		<u>35,895,927</u>		<u>39,585,035</u>
SHAREHOLDERS' FUNDS			<u>35,896,027</u>		<u>39,585,135</u>
Company's (loss)/profit for the financial year			<u>(3,314,108)</u>		<u>2,167,047</u>

The financial statements were approved by the Board of Directors on 27th March 2020 and were signed on its behalf by:

Mrs G A Lynch - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st July 2017	100	41,452,909	41,453,009
Changes in equity			
Dividends	-	(375,000)	(375,000)
Total comprehensive income	-	3,938,428	3,938,428
Balance at 30th June 2018	100	45,016,337	45,016,437
Changes in equity			
Dividends	-	(375,000)	(375,000)
Total comprehensive income	-	402,203	402,203
Balance at 30th June 2019	100	45,043,540	45,043,640

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st July 2017	100	37,792,988	37,793,088
Changes in equity			
Dividends	-	(375,000)	(375,000)
Total comprehensive income	-	2,167,047	2,167,047
Balance at 30th June 2018	100	39,585,035	39,585,135
Changes in equity			
Dividends	-	(375,000)	(375,000)
Total comprehensive income	-	(3,314,108)	(3,314,108)
Balance at 30th June 2019	100	35,895,927	35,896,027

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

		30.6.19	30.6.18
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	589,493	(8,994,030)
Interest paid		(177,285)	(165,398)
Tax paid		(1,149,424)	(953,735)
Net cash from operating activities		(737,216)	(10,113,163)
Cash flows from investing activities			
Purchase of tangible fixed assets		(122,545)	(857,867)
Sale of tangible fixed assets		734,024	11,000
Sale of investment property		-	2,389,641
Interest received		9,285	9,032
Net cash from investing activities		620,764	1,551,806
Cash flows from financing activities			
New loans in year		23,603,427	29,899,041
Capital repayments in year		(24,440,132)	(20,181,962)
Amount introduced by directors		-	81,285
Amount withdrawn by directors		(234,976)	-
Equity dividends paid		(375,000)	(375,000)
Net cash from financing activities		(1,446,681)	9,423,364
(Decrease)/increase in cash and cash equivalents		(1,563,133)	862,007
Cash and cash equivalents at beginning of year	2	13,151,399	12,289,392
Cash and cash equivalents at end of year	2	11,588,266	13,151,399

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.19	30.6.18
	£	£
Profit before taxation	490,463	4,671,787
Depreciation charges	561,761	527,974
Loss/(profit) on disposal of fixed assets	49,142	(223,242)
Finance costs	177,285	165,398
Finance income	(9,285)	(9,032)
	1,269,366	5,132,885
Decrease/(increase) in stocks	8,131,471	(18,056,895)
(Increase)/decrease in trade and other debtors	(620,625)	1,694,149
(Decrease)/increase in trade and other creditors	(8,190,719)	2,235,831
Cash generated from operations	589,493	(8,994,030)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th June 2019

	30.6.19	1.7.18
	£	£
Cash and cash equivalents	11,588,266	13,151,399

Year ended 30th June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	13,151,399	12,289,392

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019**

1. STATUTORY INFORMATION

P.J. Livesey Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The consolidated financial statements include the company and its subsidiary undertakings.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stocks

Stocks are valued in accordance with the accounting policy given. Costs incurred in pursuing the acquisition of prospective sites are initially recognised as work in progress. Management make judgements at regular milestones as to whether such costs should be expensed to the income statement or carried forwards as work in progress based on the likelihood of prospective sites being acquired, planning permission being granted and subsequently progressing into future developments.

The following are the Group's key sources of estimation uncertainty:

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the income statement. The Group values its investment property using an estimated yield applied to the income generated by the investment property. The estimated yield is based on anticipated market yields.

Estimation of future income and costs to complete

In order to determine the profit the Company is able to recognise on its developments in a particular period, it has to estimate costs to complete on such developments and make estimates relating to future sales price margins on those developments. In making these assessments there is a degree of inherent uncertainty. The Company has developed internal controls to assess and review carrying values and the appropriateness of the estimates made.

If estimated future income is anticipated to be lower than costs incurred to date plus costs to complete, then full provision is made in the period in which such a loss is first foreseen. If costs are incurred on completed developments that exceed provisions for future costs, then such costs are recognised in the income statement as an expense at that point.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of property is recognised on legal completion.

In instances where the company enters into an agreement to develop and sell properties on land that is owned by a third party, the company only recognises revenue to the extent of its share of total revenue.

Rental income is primarily generated from short term hires of the group's fleet. The income is recognised as the fleet is utilised by renters.

Ground rent received on investment properties is recognised on an accruals basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Workshop plant and machinery	- 20% on cost and 10% - 25% on cost
Office fixtures and fittings	- 20% on cost
Fleet	- 5% - 20% on cost and 10% - 25% on cost
Site vehicles, plant and machinery	- 20% on cost

Tangible fixed assets are capitalised at cost.

Investment property

Investment property consists of freehold ground rent assets and are shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the income statement. Any gain or loss arising on disposal is recognised in the income statement.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of overheads.

Net realisable value is based on estimated selling price less all further costs to completion and disposal.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the group 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 group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as financial instruments:

Investments in subsidiaries, trade debtors, trade creditors, hire purchase contracts, bank loans, directors' loans and inter group balances.

Trade debtors, trade creditors, and directors' loans and inter group balances (being repayable on demand) are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Hire purchase contracts and bank loans are initially measured at the present value of future payments, discounted at a market rate of interest and subsequently at amortised cost using the effective interest method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised in profit and loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to profit or loss in the period to which they relate.

Construction contracts

Turnover is recognised on construction contracts on issue of building valuation certificates.

Costs incurred on construction contracts are recognised as work in progress and transferred to the income statement when a building valuation certificate is issued.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment in the individual financial statements.

3. TURNOVER

An analysis of turnover by class of business is given below:

	30.06.19	30.06.18
	£	£
Sale of residential property	59,255,088	65,074,000
Construction contracts	-	26,800
Lease rentals	981,439	823,817
Ground rents	58,427	63,851
	<u>60,294,954</u>	<u>65,988,468</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

4. EMPLOYEES AND DIRECTORS

	30.06.19	30.06.18
	£	£
Wages and salaries	6,739,623	6,492,900
Social security costs	765,331	828,875
Other pension costs	76,224	97,295
	<u>7,581,178</u>	<u>7,419,070</u>

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

	30.06.19	30.06.18
Office and management	83	93
Production and sales	56	46
	<u>139</u>	<u>139</u>

Remuneration in respect of directors was as follows:

	30.06.19	30.06.18
	£	£
Directors' remuneration	1,877,065	2,145,906
Defined contribution pension schemes	5,878	58,960
	<u>1,882,943</u>	<u>2,204,866</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined contribution pension schemes	<u>8</u>	<u>8</u>
--------------------------------------	----------	----------

Information regarding the highest paid director is as follows:

	30.06.19	30.06.18
	£	£
Directors' remuneration	283,595	255,386
Defined contribution pension schemes	934	495
	<u>284,529</u>	<u>255,881</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.19	30.6.18
	£	£
Hire of plant and machinery	3,640	3,955
Depreciation - owned assets	561,761	527,974
Loss/(profit) on disposal of fixed assets	38,099	(11,000)
Foreign exchange differences	(6,020)	18,611
Auditors' remuneration - company	2,750	2,500
Auditors' remuneration - subsidiaries	23,000	22,500
Auditors' remuneration - taxation compliance services	2,000	2,000
Operating lease rentals	<u>485,315</u>	<u>458,981</u>

6. EXCEPTIONAL ITEMS

	30.6.19	30.6.18
	£	£
(Loss)/profit on the sale of investment property	<u>(8,960)</u>	<u>212,241</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.19	30.6.18
	£	£
Bank interest	6,404	12,831
Other interest	47,854	9,889
Loan interest	<u>123,027</u>	<u>142,678</u>
	<u>177,285</u>	<u>165,398</u>

During the year, interest payable amounting to £721,090 (2018: £437,209) has been capitalised within the development cost of properties for resale.

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.6.19	30.6.18
	£	£
Current tax:		
UK corporation tax	3,719	733,359
Deferred tax	<u>84,541</u>	<u>-</u>
Tax on profit	<u>88,260</u>	<u>733,359</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.19 £	30.6.18 £
Profit before tax	<u>490,463</u>	<u>4,671,787</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	93,188	887,640
Effects of:		
Expenses not deductible for tax purposes	6,871	5,869
Capital allowances in excess of depreciation	-	(154,932)
Depreciation in excess of capital allowances	231,938	-
Utilisation of tax losses	(173,864)	(12,272)
Other items	(69,873)	8,465
Indexation allowance	-	(1,411)
Total tax charge	<u>88,260</u>	<u>733,359</u>

The group has trading losses amounting to £1,322,803 available to be utilised against future trading profits. A deferred tax asset of £164,016 has been recognised in respect of £863,244 of these losses. The deferred tax liability in the consolidated accounts is net of this deferred tax asset.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	30.6.19 £	30.6.18 £
Ordinary shares of £1 each		
Interim	<u>375,000</u>	<u>375,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Workshop plant and machinery £	Office fixtures and fittings £
COST			
At 1st July 2018	1,570,000	670,373	1,223,676
Additions	-	648	12,159
Reclassification/transfer	-	7,996	(7,996)
At 30th June 2019	1,570,000	679,017	1,227,839
DEPRECIATION			
At 1st July 2018	188,400	550,662	1,201,612
Charge for year	31,400	37,591	11,863
Eliminated on disposal	-	-	-
Reclassification/transfer	-	7,996	(7,996)
At 30th June 2019	219,800	596,249	1,205,479
NET BOOK VALUE			
At 30th June 2019	1,350,200	82,768	22,360
At 30th June 2018	1,381,600	119,711	22,064

	Fleet £	Site vehicles, plant and machinery £	Totals £
COST			
At 1st July 2018	8,072,698	457,277	11,994,024
Additions	109,738	-	122,545
Disposals	(1,133,934)	-	(1,133,934)
At 30th June 2019	7,048,502	457,277	10,982,635
DEPRECIATION			
At 1st July 2018	681,904	298,852	2,921,430
Charge for year	446,067	34,840	561,761
Eliminated on disposal	(359,728)	-	(359,728)
Reclassification/transfer	-	-	-
At 30th June 2019	768,243	333,692	3,123,463
NET BOOK VALUE			
At 30th June 2019	6,280,259	123,585	7,859,172
At 30th June 2018	7,390,794	158,425	9,072,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

11. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Workshop plant and machinery £	Office fixtures and fittings £
COST			
At 1st July 2018	1,570,000	275,531	1,215,680
Additions	-	-	12,159
At 30th June 2019	<u>1,570,000</u>	<u>275,531</u>	<u>1,227,839</u>
DEPRECIATION			
At 1st July 2018	188,400	275,531	1,193,616
Charge for year	31,400	-	11,863
Eliminated on disposal	-	-	-
At 30th June 2019	<u>219,800</u>	<u>275,531</u>	<u>1,205,479</u>
NET BOOK VALUE			
At 30th June 2019	<u>1,350,200</u>	-	<u>22,360</u>
At 30th June 2018	<u>1,381,600</u>	-	<u>22,064</u>

	Fleet £	Site vehicles, plant and machinery £	Totals £
COST			
At 1st July 2018	1,218,099	457,277	4,736,587
Additions	109,738	-	121,897
Disposals	(1,133,934)	-	(1,133,934)
At 30th June 2019	<u>193,903</u>	<u>457,277</u>	<u>3,724,550</u>
DEPRECIATION			
At 1st July 2018	370,636	298,852	2,327,035
Charge for year	8,960	34,840	87,063
Eliminated on disposal	(359,728)	-	(359,728)
At 30th June 2019	<u>19,868</u>	<u>333,692</u>	<u>2,054,370</u>
NET BOOK VALUE			
At 30th June 2019	<u>174,035</u>	<u>123,585</u>	<u>1,670,180</u>
At 30th June 2018	<u>847,463</u>	<u>158,425</u>	<u>2,409,552</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

12. **FIXED ASSET INVESTMENTS**

Company

**Shares in
group
undertakings
£**

COST

At 1st July 2018

3,787,714

Additions

1,360,000

Share of profit/(loss)

(1,104,445)

Exchange differences

(43,139)

At 30th June 2019

4,000,130

NET BOOK VALUE

At 30th June 2019

4,000,130

At 30th June 2018

3,787,714

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

12. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Name of company	Class of shares	% Holding	Nature of business
P J Livesey South Limited	Ordinary	100.00	Intermediate parent company
P J Livesey North Limited	Ordinary	100.00	Intermediate parent company
P J Livesey Group Limited	Ordinary	100.00	Intermediate parent company
P J Livesey (Manufacturing) Limited	Ordinary	100.00	Manufacture of furniture
P J Livesey Living Space Limited	Ordinary	100.00	Construction of residential property
P J Livesey Country Homes Limited	Ordinary	100.00	Construction of residential property
P J Livesey Country Homes (Merseyside) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (12) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Country Homes (Eastern) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Heritage Homes North West Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (North) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (11) Limited	Ordinary	100.00	Construction of residential property
P J Livesey South Eastern Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (1) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (5) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (6) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (9) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Homes Limited	Ordinary	100.00	Construction of residential property
P J Livesey Homes (1) Limited	Ordinary	100.00	Construction of residential property

The registered office for all of the above subsidiaries is that of the company and can be found on the company information page.

In addition, the company has control of a Limited Partnership, The Livesey Twilight LP, whose registered office address is the First Floor, Jubilee Buildings, Victoria Street, Douglas, Isle of Man, IM1 2SH. Control is established by virtue of its 100% profit share, in favour of the company. The nature of business is that of an asset leasing company.

The Livesey Twilight LP owns 100% of the share capital of Livesey Twilight Malta Limited. The registered office of this company is Level 2, Progetta House, Tower Street, Swatar, Birkirkara BKR 4012, Malta. The company's nature of business is that of asset management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1st July 2018	476,260
Disposals	(8,960)
Reclassification/transfer	742,500
At 30th June 2019	<u>1,209,800</u>
NET BOOK VALUE	
At 30th June 2019	<u>1,209,800</u>
At 30th June 2018	<u>476,260</u>

During the year, investment property amounting to £742,500 has been transferred from stocks.

Fair value at 30th June 2019 is represented by:

	£
Valuation in 2019	<u>1,209,800</u>

If investment property had not been revalued it would have been included at the following historical cost:

	30.6.19 £	30.6.18 £
Cost	<u>1,209,800</u>	<u>476,260</u>

Investment property was valued on a fair value basis on 30th June 2019 by the directors .

14. STOCKS

	Group		Company	
	30.6.19 £	30.6.18 £	30.6.19 £	30.6.18 £
Stocks	64,461	38,424	64,461	38,424
Raw materials	50,245	55,222	-	-
Work-in-progress	56,562,454	65,457,485	-	-
	<u>56,677,160</u>	<u>65,551,131</u>	<u>64,461</u>	<u>38,424</u>

As at the balance sheet date, certain property amounting to £53,679,732 (2018: 62,435,582) has been pledged as security against bank loans, as detailed in note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

15. DEBTORS

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	831,683	589,227	528,429	13,413
Amounts owed by group undertakings	-	-	26,620,238	33,895,065
Other debtors	5,274	26,776	5,274	26,758
Directors' current accounts	167,154	-	167,154	-
VAT	195,020	-	195,840	-
Prepayments and accrued income	949,721	552,940	553,190	534,219
	<u>2,148,852</u>	<u>1,168,943</u>	<u>28,070,125</u>	<u>34,469,455</u>
Amounts falling due after more than one year:				
Trade debtors	<u>460,000</u>	<u>652,130</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>2,608,852</u>	<u>1,821,073</u>	<u>28,070,125</u>	<u>34,469,455</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Bank loans and overdrafts (see note 18)	19,988,208	19,999,999	-	-
Other loans (see note 18)	575,001	703,606	-	128,606
Trade creditors	10,573,134	18,481,622	6,445,438	7,795,484
Tax	732,330	1,878,035	324,425	799,940
Social security and other taxes	322,522	431,073	313,876	417,654
VAT	-	39,951	-	37,470
Other creditors	405,222	323,197	386,312	316,049
Directors' current accounts	-	67,822	-	67,822
Accruals and deferred income	349,903	565,657	327,677	288,319
	<u>32,946,320</u>	<u>42,490,962</u>	<u>7,797,728</u>	<u>9,851,344</u>

Trade creditors includes land purchase creditors amounting to £420,638 (2018: £10,217,970).

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Other loans (see note 18)	<u>1,868,749</u>	<u>2,565,058</u>	<u>-</u>	<u>121,308</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	19,988,208	19,999,999	-	-
Other loans	575,001	703,606	-	128,606
	<u>20,563,209</u>	<u>20,703,605</u>	<u>-</u>	<u>128,606</u>
Amounts falling due between one and two years:				
Other loans	<u>575,000</u>	<u>696,308</u>	<u>-</u>	<u>121,308</u>
Amounts falling due between two and five years:				
Other loans	<u>1,293,749</u>	<u>1,725,000</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans	<u>-</u>	<u>143,750</u>	<u>-</u>	<u>-</u>

The other loan within the group is repayable over the period until September 2023. The interest on the loan is 3.75% per annum.

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Bank loans	19,988,208	19,999,999	-	-
Other loans	2,443,750	3,268,664	-	249,914
Land purchase creditors	420,638	8,957,978	-	-
	<u>22,852,596</u>	<u>32,226,641</u>	<u>-</u>	<u>249,914</u>

The loans are secured by way of fixed and floating charges and debentures over certain assets held within the group.

The land purchase creditors are secured on the land to which the creditor relates. The relevant land is included within stock.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Deferred tax	<u>84,541</u>	<u>-</u>	<u>232,831</u>	<u>-</u>
Group				
				Deferred tax
				£
Provided during year				<u>84,541</u>
Balance at 30th June 2019				<u>84,541</u>
Company				
				Deferred tax
				£
Provided during year				<u>232,831</u>
Balance at 30th June 2019				<u>232,831</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.19	30.6.18
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

22. RESERVES

Group				Retained earnings
				£
At 1st July 2018				45,016,337
Profit for the year				402,203
Dividends				(375,000)
At 30th June 2019				<u>45,043,540</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019

22. **RESERVES - continued**

Company

	Retained earnings £
At 1st July 2018	39,585,035
Deficit for the year	(3,314,108)
Dividends	(375,000)
At 30th June 2019	<u>35,895,927</u>

23. **PENSION COMMITMENTS**

The group operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The total contribution paid in the year amounted to £76,224 (2018: £97,295).

24. **CONTINGENT LIABILITIES**

The company has guaranteed the bank borrowings of some of its subsidiaries. There is a fixed charge over the freehold property of the company in respect of these borrowings.

At 30th June 2019 the net bank borrowings were £8,556,116 (2018: £8,515,572)

25. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30th June 2019 and 30th June 2018:

	30.6.19 £	30.6.18 £
P J Livesey and Mrs D A Livesey		
Balance outstanding at start of year	(12,118)	13,464
Amounts advanced	540,473	274,418
Amounts repaid	(361,201)	(300,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>167,154</u>	<u>(12,118)</u>

Directors loans are unsecured, interest free and repayable on demand.

26. **ULTIMATE CONTROLLING PARTY**

The group is controlled by the director, Mr P J Livesey, by virtue of his majority shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.