

REGISTERED NUMBER: 03195231 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017
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 2017**

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P.J. LIVESEY HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

DIRECTORS:

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

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 2017**

The directors present their strategic report of the company and the group for the year ended 30th June 2017.

REVIEW OF BUSINESS

The group's key financial indicators during the year were as follows:

	2017 £	2016 £	Change %
Income Statement			
Turnover	76,369,871	50,785,785	+ 50.4%
Profit before taxation	7,100,867	5,949,919	+ 19.3%
Balance sheet			
Cash at bank and in hand	12,289,392	8,600,896	+ 42.9%
Shareholders' funds	41,453,009	36,249,327	+ 14.4%

The group turnover has increased by 50.4% from the previous year, this is a result of strong sales rates and increased sales values across the board. The group over performed significantly on two sites, St James Place, the former Manchester Metropolitan Campus and The Residence, the conversion of the former Chocolate Factory into 180 luxury apartments.

The profit before taxation has increased by as a consequence of this increase in turnover.

A further key performance measure of the group is the amount that is held in the bank to ensure that adequate working capital is retained at all times and to enable the purchase of suitable development land that becomes available. Whilst some funds have been reinvested into fixed assets and current development, the directors are pleased to report that bank balances of the group have increased by 42.9%.

The directors are satisfied with an increase in the shareholders' funds of 14.4% from the prior year and believe this represents an attractive return on the capital employed in the group.

PRINCIPAL RISKS AND UNCERTAINTIES

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

ON BEHALF OF THE BOARD:

Mrs G A Livesey - Director

26th March 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2017**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the construction of residential properties.

DIVIDENDS

Interim dividends per share were paid as follows:

£1,200	- 1st July 2016
£1,200	- 1st October 2016
<u>£5,100</u>	- 26th June 2017
<u>£7,500</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th June 2017 will be £ 750,000 .

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 2016 to the date of this report.

Mr P J Livesey
Mrs D A Livesey
Mr J W Allcock
Mr R Brocklehurst
Mr P G Richardson
Mrs G A Livesey
Mr J N D Woodmansee

Other changes in directors holding office are as follows:

Mr M Duckett , Mr G W Graves and Mr C D Lynch were appointed as directors after 30th June 2017 but prior to the date of this report.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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 Livesey - Director

26th March 2018

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 2017 on pages seven to twenty six. 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).

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.

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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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, 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.

Opinion 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 pages three and four, 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.

Our 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.

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

26th March 2018

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

	Notes	30.6.17 £	£	30.6.16 £	£
TURNOVER	3		76,369,871		50,785,785
Cost of sales			<u>65,318,665</u>		<u>41,162,269</u>
GROSS PROFIT			11,051,206		9,623,516
Distribution costs		923,473		893,734	
Administrative expenses		<u>3,585,498</u>		<u>2,912,655</u>	
			4,508,971		3,806,389
			6,542,235		5,817,127
Other operating income			<u>65,883</u>		<u>15,441</u>
OPERATING PROFIT	5		6,608,118		5,832,568
Profit on sale of investment property	6		<u>630,852</u>		<u>136,970</u>
			7,238,970		5,969,538
Interest receivable and similar income			<u>5,400</u>		<u>14,713</u>
			7,244,370		5,984,251
Interest payable and similar expenses	7		<u>143,503</u>		<u>34,332</u>
PROFIT BEFORE TAXATION			7,100,867		5,949,919
Tax on profit	8		<u>1,147,185</u>		<u>950,000</u>
PROFIT FOR THE FINANCIAL YEAR			5,953,682		4,999,919
Profit attributable to: Owners of the parent			<u>5,953,682</u>		<u>4,999,919</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2017**

	Notes	30.6.17 £	30.6.16 £
PROFIT FOR THE YEAR		5,953,682	4,999,919
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,953,682</u>	<u>4,999,919</u>
Total comprehensive income attributable to: Owners of the parent		<u>5,953,682</u>	<u>4,999,919</u>

CONSOLIDATED BALANCE SHEET
30TH JUNE 2017

	Notes	30.6.17 £	£	30.6.16 £	£
FIXED ASSETS					
Tangible assets	11		8,742,701		2,518,930
Investments	12		-		-
Investment property	13		2,653,660		1,640,910
			<u>11,396,361</u>		<u>4,159,840</u>
CURRENT ASSETS					
Stocks	14	47,494,236		47,756,477	
Debtors	15	3,528,685		2,989,005	
Cash at bank and in hand		<u>12,289,392</u>		<u>8,600,896</u>	
		63,312,313		59,346,378	
CREDITORS					
Amounts falling due within one year	16	<u>33,255,665</u>		<u>27,256,891</u>	
NET CURRENT ASSETS			<u>30,056,648</u>		<u>32,089,487</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>41,453,009</u>		<u>36,249,327</u>
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Retained earnings	20		<u>41,452,909</u>		<u>36,249,227</u>
SHAREHOLDERS' FUNDS			<u>41,453,009</u>		<u>36,249,327</u>

The financial statements were approved by the Board of Directors on 26th March 2018 and were signed on its behalf by:

Mr P J Livesey - Director

COMPANY BALANCE SHEET
30TH JUNE 2017

	Notes	30.6.17 £	£	30.6.16 £	£
FIXED ASSETS					
Tangible assets	11		2,359,965		2,448,412
Investments	12		2,808,180		68
Investment property	13		-		-
			<u>5,168,145</u>		<u>2,448,480</u>
CURRENT ASSETS					
Stocks	14	30,150		30,150	
Debtors	15	31,164,487		33,880,549	
Cash at bank and in hand		<u>9,058,547</u>		<u>5,304,570</u>	
		<u>40,253,184</u>		<u>39,215,269</u>	
CREDITORS					
Amounts falling due within one year	16	<u>7,628,241</u>		<u>7,474,987</u>	
NET CURRENT ASSETS			<u>32,624,943</u>		<u>31,740,282</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>37,793,088</u>		<u>34,188,762</u>
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Retained earnings	20		<u>37,792,988</u>		<u>34,188,662</u>
SHAREHOLDERS' FUNDS			<u>37,793,088</u>		<u>34,188,762</u>
Company's profit for the financial year			<u>4,354,326</u>		<u>1,144,617</u>

The financial statements were approved by the Board of Directors on 26th March 2018 and were signed on its behalf by:

Mr P J Livesey - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st July 2015	100	32,229,308	32,229,408
Changes in equity			
Dividends	-	(980,000)	(980,000)
Total comprehensive income	-	4,999,919	4,999,919
Balance at 30th June 2016	100	36,249,227	36,249,327
Changes in equity			
Dividends	-	(750,000)	(750,000)
Total comprehensive income	-	5,953,682	5,953,682
Balance at 30th June 2017	100	41,452,909	41,453,009

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st July 2015	100	34,024,045	34,024,145
Changes in equity			
Dividends	-	(980,000)	(980,000)
Total comprehensive income	-	1,144,617	1,144,617
Balance at 30th June 2016	100	34,188,662	34,188,762
Changes in equity			
Dividends	-	(750,000)	(750,000)
Total comprehensive income	-	4,354,326	4,354,326
Balance at 30th June 2017	100	37,792,988	37,793,088

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

		30.6.17	30.6.16
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	8,933,613	(7,958,478)
Interest paid		(143,503)	(34,332)
Tax paid		(14,429)	(8,856)
Net cash from operating activities		<u>8,775,681</u>	<u>(8,001,666)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,407,676)	(72,950)
Sale of tangible fixed assets		-	149,492
Sale of investment property		1,616,102	884,618
Interest received		5,400	14,713
Net cash from investing activities		<u>(4,786,174)</u>	<u>975,873</u>
Cash flows from financing activities			
New loans in year		4,025,000	5,079,979
Capital repayments in year		(3,397,750)	(114,049)
Amount introduced by directors		-	570,015
Amount withdrawn by directors		(178,261)	-
Equity dividends paid		(750,000)	(980,000)
Net cash from financing activities		<u>(301,011)</u>	<u>4,555,945</u>
Increase/(decrease) in cash and cash equivalents		<u>3,688,496</u>	<u>(2,469,848)</u>
Cash and cash equivalents at beginning of year	2	8,600,896	11,070,744
Cash and cash equivalents at end of year	2	<u>12,289,392</u>	<u>8,600,896</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

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

	30.6.17 £	30.6.16 £
Profit before taxation	7,100,867	5,949,919
Depreciation charges	183,905	164,269
Profit on disposal of fixed assets	(630,852)	(74,933)
Finance costs	143,503	34,332
Finance income	(5,400)	(14,713)
	<u>6,792,023</u>	<u>6,058,874</u>
Increase in stocks	(1,735,759)	(8,765,499)
(Increase)/decrease in trade and other debtors	(581,196)	535,967
Increase/(decrease) in trade and other creditors	<u>4,458,545</u>	<u>(5,787,820)</u>
Cash generated from operations	<u><u>8,933,613</u></u>	<u><u>(7,958,478)</u></u>

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 2017

	30.6.17 £	1.7.16 £
Cash and cash equivalents	<u>12,289,392</u>	<u>8,600,896</u>

Year ended 30th June 2016

	30.6.16 £	1.7.15 £
Cash and cash equivalents	<u>8,600,896</u>	<u>11,070,744</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017**

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.

Significant judgements and estimates

Preparation of the financial statements requires management to consider any significant judgements and estimates.

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.

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
Vehicles	- 25% on cost

Tangible fixed assets are capitalised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017**

2. ACCOUNTING POLICIES - continued

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.

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

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

	30.6.17	30.6.16
	£	£
Sale of residential property	70,813,848	35,448,386
Construction contract income	5,556,023	15,337,399
	<u>76,369,871</u>	<u>50,785,785</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017**

4. EMPLOYEES AND DIRECTORS

	30.06.17	30.06.16
	£	£
Wages and salaries	6,594,647	6,249,217
Social security costs	835,159	800,094
Other pension costs	71,136	78,438
	<u>7,500,942</u>	<u>7,127,749</u>

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

	30.06.17	30.06.16
Office and management	106	99
Production and sales	44	45
	<u>150</u>	<u>144</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 32 (2016 - 30).

	30.6.17	30.6.16
	£	£
Directors' remuneration	<u>1,603,386</u>	<u>1,412,700</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	30.6.17	30.6.16
	£	£
Emoluments etc	<u>395,755</u>	<u>292,606</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.17	30.6.16
	£	£
Hire of plant and machinery	4,061	-
Depreciation - owned assets	183,905	164,269
Loss on disposal of fixed assets	-	62,037
Foreign exchange differences	12,581	-
Auditors' remuneration - company	2,500	2,500
Auditors' remuneration - subsidiaries	24,500	23,500
Auditors' remuneration - other services	-	2,950
Operating lease rentals	<u>405,439</u>	<u>393,240</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

6. EXCEPTIONAL ITEMS

	30.6.17 £	30.6.16 £
Profit on sale of investment property	<u>630,852</u>	<u>136,970</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.17 £	30.6.16 £
Bank interest	10,079	12,101
Other interest	182	-
Loan interest	<u>133,242</u>	<u>22,231</u>
	<u>143,503</u>	<u>34,332</u>

During the year, interest payable amounting to £397,824 (2016: £310,199) 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:

	30.6.17 £	30.6.16 £
Current tax:		
UK corporation tax	<u>1,147,185</u>	<u>950,000</u>
Tax on profit	<u>1,147,185</u>	<u>950,000</u>

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:

	30.6.17 £	30.6.16 £
Profit before tax	<u>7,100,867</u>	<u>5,949,919</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.751% (2016 - 20%)	<u>1,402,492</u>	<u>1,189,984</u>
Effects of:		
Expenses not deductible for tax purposes	3,396	8,814
Depreciation in excess of capital allowances	-	11,133
Utilisation of tax losses	(32,330)	-
Share of partnership losses	(221,322)	-
Other items	(5,051)	(39,487)
Transition to FRS 102	-	(220,444)
Total tax charge	<u>1,147,185</u>	<u>950,000</u>

The group has trading losses amounting to £1,448,176 available to be utilised against future trading profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

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

	30.6.17 £	30.6.16 £
Ordinary shares of £1 each		
Interim	<u>750,000</u>	<u>980,000</u>

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Workshop plant and machinery £	Office fixtures and fittings £
COST			
At 1st July 2016	1,570,000	555,423	1,202,537
Additions	-	114,950	-
At 30th June 2017	<u>1,570,000</u>	<u>670,373</u>	<u>1,202,537</u>
DEPRECIATION			
At 1st July 2016	125,600	484,905	1,175,804
Charge for year	31,400	28,177	12,910
At 30th June 2017	<u>157,000</u>	<u>513,082</u>	<u>1,188,714</u>
NET BOOK VALUE			
At 30th June 2017	<u>1,413,000</u>	<u>157,291</u>	<u>13,823</u>
At 30th June 2016	<u>1,444,400</u>	<u>70,518</u>	<u>26,733</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

11. TANGIBLE FIXED ASSETS - continued

Group

	Vehicles £	Site vehicles, plant and machinery £	Totals £
COST			
At 1st July 2016	1,117,444	283,077	4,728,481
Additions	6,292,726	-	6,407,676
At 30th June 2017	7,410,170	283,077	11,136,157
DEPRECIATION			
At 1st July 2016	140,165	283,077	2,209,551
Charge for year	111,418	-	183,905
At 30th June 2017	251,583	283,077	2,393,456
NET BOOK VALUE			
At 30th June 2017	7,158,587	-	8,742,701
At 30th June 2016	977,279	-	2,518,930

Company

	Freehold property £	Workshop plant and machinery £	Office fixtures and fittings £
COST			
At 1st July 2016	1,570,000	275,531	1,194,541
At 30th June 2017	1,570,000	275,531	1,194,541
DEPRECIATION			
At 1st July 2016	125,600	275,531	1,167,808
Charge for year	31,400	-	12,910
At 30th June 2017	157,000	275,531	1,180,718
NET BOOK VALUE			
At 30th June 2017	1,413,000	-	13,823
At 30th June 2016	1,444,400	-	26,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

11. TANGIBLE FIXED ASSETS - continued

Company

	Vehicles £	Site vehicles, plant and machinery £	Totals £
COST			
At 1st July 2016	1,117,444	283,077	4,440,593
Additions	67,281	-	67,281
At 30th June 2017	1,184,725	283,077	4,507,874
DEPRECIATION			
At 1st July 2016	140,165	283,077	1,992,181
Charge for year	111,418	-	155,728
At 30th June 2017	251,583	283,077	2,147,909
NET BOOK VALUE			
At 30th June 2017	933,142	-	2,359,965
At 30th June 2016	977,279	-	2,448,412

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st July 2016	68
Additions	3,334,536
Disposals	(7)
Impairments	(526,417)
At 30th June 2017	2,808,180
NET BOOK VALUE	
At 30th June 2017	2,808,180
At 30th June 2016	68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

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 Living Space (8) Limited	Ordinary	100.00	Construction of residential property
P J Livesey Living Space (10) 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 management company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1st July 2016	1,640,910
Additions	1,998,000
Disposals	(985,250)
At 30th June 2017	<u>2,653,660</u>
NET BOOK VALUE	
At 30th June 2017	<u>2,653,660</u>
At 30th June 2016	<u>1,640,910</u>

During the year, investment property amounting to £1,998,000 has been transferred from stocks.

Fair value at 30th June 2017 is represented by:

	£
Valuation in 2017	<u>2,653,660</u>

Investment property was valued on a fair value basis on 30th June 2017 by the directors .

14. STOCKS

	Group		Company	
	30.6.17 £	30.6.16 £	30.6.17 £	30.6.16 £
Stocks	30,150	30,150	30,150	30,150
Raw materials	67,277	45,241	-	-
Work-in-progress	47,396,809	47,681,086	-	-
	<u>47,494,236</u>	<u>47,756,477</u>	<u>30,150</u>	<u>30,150</u>

During the year, stocks amounting to £64,159,171 (2016: £40,543,448) were recognised in the income statement, which included impairment losses amounting to £1,721,916 (2016: £nil).

As at the balance sheet date, certain property amounting to £43,321,874 (2016: 44,586,857) has been pledged as security against bank loans, as detailed in note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

15. DEBTORS

	Group		Company	
	30.6.17 £	30.6.16 £	30.6.17 £	30.6.16 £
Amounts falling due within one year:				
Trade debtors	1,427,582	2,169	1,174,027	-
Amounts owed by group undertakings	-	-	29,134,966	32,294,540
Other debtors	100,604	857,641	604	749,641
Directors' current accounts	13,463	54,979	13,463	54,979
VAT	258,238	213,258	260,459	202,446
Prepayments and accrued income	604,049	652,130	580,968	578,943
	2,403,936	1,780,177	31,164,487	33,880,549
Amounts falling due after more than one year:				
Trade debtors	1,124,749	1,208,828	-	-
Aggregate amounts	3,528,685	2,989,005	31,164,487	33,880,549

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.17 £	30.6.16 £	30.6.17 £	30.6.16 £
Bank loans and overdrafts (see note 17)	9,583,951	12,430,779	-	-
Other loans (see note 17)	3,967,633	493,555	373,884	493,555
Trade creditors	16,350,088	12,297,200	6,060,814	5,981,000
Tax	2,098,412	965,656	698,932	225,599
Social security and other taxes	296,085	437,538	275,055	411,367
Other creditors	63,810	35,912	20,263	24,313
Directors' current accounts	-	219,777	-	219,777
Accruals and deferred income	895,686	376,474	199,293	119,376
	33,255,665	27,256,891	7,628,241	7,474,987

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.17 £	30.6.16 £	30.6.17 £	30.6.16 £
Amounts falling due within one year or on demand:				
Bank loans	9,583,951	12,430,779	-	-
Other loans	3,967,633	493,555	373,884	493,555
	13,551,584	12,924,334	373,884	493,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.6.17	30.6.16	30.6.17	30.6.16
	£	£	£	£
Bank loans	9,583,951	12,430,779	-	-
Other loans	3,967,633	493,555	373,884	493,555
	<u>13,551,584</u>	<u>12,924,334</u>	<u>373,884</u>	<u>493,555</u>

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

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.17	30.6.16
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

20. RESERVES

Group

	Retained earnings £
At 1st July 2016	36,249,227
Profit for the year	5,953,682
Dividends	(750,000)
At 30th June 2017	<u>41,452,909</u>

Company

	Retained earnings £
At 1st July 2016	34,188,662
Profit for the year	4,354,326
Dividends	(750,000)
At 30th June 2017	<u>37,792,988</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017**

21. 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 £71,136 (2016: £78,438).

22. 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 2017 the net bank borrowings were £nil (2016: £3,670,781).

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30th June 2017 and 30th June 2016:

	30.6.17 £	30.6.16 £
P J Livesey and Mrs D A Livesey		
Balance outstanding at start of year	(219,777)	265,629
Amounts advanced	833,241	298,867
Amounts repaid	(600,000)	(784,273)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>13,464</u>	<u>(219,777)</u>
Mrs G A Livesey		
Balance outstanding at start of year	54,979	139,588
Amounts advanced	136,495	134,391
Amounts repaid	(191,474)	(219,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>54,979</u>

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

24. ULTIMATE CONTROLLING PARTY

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

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