



**MOORE**

Company Registration No. 04619794 (England and Wales)

**LH HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 MARCH 2019**



# **LH HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J Moody A Greenberg P D Ginns V E Smith	(Appointed 1 April 2019) (Appointed 24 May 2019)
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<b>Secretary</b>	P D Ginns
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<b>Company number</b>	04619794
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<b>Registered office</b>	L H G House Northside Marwick Road March PE15 8PH
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<b>Auditor</b>	Moore Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ
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# **LH HOLDINGS LIMITED**

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# LH HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 29 MARCH 2019**

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The directors present the strategic report for the year ended 29 March 2019.

### **Fair review of the business**

The directors consider the principal risks affecting the group to be customer retention and increased competition, as well as maintaining a sufficiently skilled workforce and retaining key employees.

The directors were satisfied with the group's performance in the year. The group has aimed to expand its market share, but not at the expense of its profitability.

### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the business include the following:

#### **Financial instruments**

The group's financial risk management objective is broadly to ensure there is limited exposure to financial instruments. Its policy is to finance the acquisition of subsidiaries through fixed and variable rate borrowings for a term broadly expected to allow repayments to be made that do not impair the group's operating abilities.

The group's exposure to the price risk of financial instruments is therefore minimal. The counterparty to all financial instruments is its bankers and present shareholders. Therefore the group is also exposed to minimal credit and liquidity risks in respect of these instruments. Its cash flow risk is managed by continuous review of its ability to meet its repayment schedules.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

### **Key performance indicators**

The group's directors use KPI's for an understanding of the development, performance and position of the business. The directors believe that there have been a number of improvements in operational efficiencies during the year, and further improvements are planned for 2019.

### **Other information and explanations**

#### **Future developments**

The directors aim to increase the market share of the group, whilst maintaining profitability, by organic growth.

On behalf of the board



.....  
P D Ginns

**Director**

15.11.19.....

# **LH HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 29 MARCH 2019**

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The directors present their annual report and financial statements for the year ended 29 March 2019.

#### **Principal activities**

The principal activity of the company during the year was that of a holding company. The principal activities of the group during the year were the manufacture, supply and installation of uPVC and Aluminium windows, doors and conservatory products.

#### **Directors**

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

J Moody	
A Morley	(Resigned 28 March 2019)
A Greenberg	
S Richards	(Resigned 19 December 2018)
P D Ginns	(Appointed 1 April 2019)
V E Smith	(Appointed 24 May 2019)

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £Nil. No dividends have been declared after the year end.

#### **Financial instruments**

Details of financial instruments are included in the strategic report.

#### **Auditor**

The auditor, Moore, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

# LH HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 29 MARCH 2019**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



P D Ginns

Director

Date: 15.11.19

# LH HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LH HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of LH Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 29 March 2019 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows, the company statement of cash flows and 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 FRS 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 the parent company's affairs as at 29 March 2019 and of the group's loss 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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 or the parent company'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 included in the annual report, other than the financial statements and our auditor's report 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.

# **LH HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LH HOLDINGS LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **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 strategic report and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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.

### **Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# LH HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LH HOLDINGS LIMITED

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### 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Mohamedraza Mavani FCA (Senior Statutory Auditor)**  
for and on behalf of

18.11.19



**MOORE**

**Chartered Accountants  
Statutory Auditor**

Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

# LH HOLDINGS LIMITED

## GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 29 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	21,306,310	20,658,075
Cost of sales		(14,200,173)	(13,472,027)
<b>Gross profit</b>		<b>7,106,137</b>	<b>7,186,048</b>
Administrative expenses		(7,254,564)	(6,311,557)
Other operating income		8,213	15,445
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(140,214)</b>	<b>889,936</b>
Interest receivable and similar income	8	6,056	2,738
Interest payable and similar expenses	9	(23,585)	(23,250)
<b>(Loss)/profit before taxation</b>		<b>(157,743)</b>	<b>869,424</b>
Tax on (loss)/profit	10	(7,435)	(205,472)
<b>(Loss)/profit for the financial year</b>		<b>(165,178)</b>	<b>663,952</b>
Retained earnings brought forward		3,329,175	3,219,223
Dividends		-	(554,000)
<b>Retained earnings carried forward</b>		<b>3,163,997</b>	<b>3,329,175</b>

# LH HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 29 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	12		775,968		964,907
Tangible assets	13		1,626,866		2,118,078
			<u>2,402,834</u>		<u>3,082,985</u>
<b>Current assets</b>					
Stocks	17	561,799		756,495	
Debtors	18	2,302,188		2,530,531	
Cash at bank and in hand		1,732,539		1,088,931	
		<u>4,596,526</u>		<u>4,375,957</u>	
<b>Creditors: amounts falling due within one year</b>	19	(3,245,884)		(3,320,395)	
<b>Net current assets</b>			<u>1,350,642</u>		<u>1,055,562</u>
<b>Total assets less current liabilities</b>			<u>3,753,476</u>		<u>4,138,547</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(294,661)		(470,708)
<b>Provisions for liabilities</b>	22		(94,808)		(138,654)
<b>Net assets</b>			<u><u>3,364,007</u></u>		<u><u>3,529,185</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		20		20
Share premium account			199,990		199,990
Profit and loss reserves			3,163,997		3,329,175
<b>Total equity</b>			<u><u>3,364,007</u></u>		<u><u>3,529,185</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15.11.19 and are signed on its behalf by:

J Moody  
Director

P D Ginns  
Director

# LH HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 29 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	14		5,358,731		5,358,731
<b>Current assets</b>					
Cash at bank and in hand		16,018		88,651	
<b>Creditors: amounts falling due within one year</b>	19	(5,119,650)		(5,189,575)	
<b>Net current liabilities</b>			(5,103,632)		(5,100,924)
<b>Total assets less current liabilities</b>			255,099		257,807
<b>Capital and reserves</b>					
Called up share capital	24		20		20
Share premium account			199,990		199,990
Profit and loss reserves			55,089		57,797
<b>Total equity</b>			255,099		257,807

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,708 (2018 - £557,397 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 15.11.19 and are signed on its behalf by:

J Moody  
Director

P D Ginns  
Director

Company Registration No. 04619794

# LH HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,030,564		1,040,151	
Interest paid		(23,585)		(23,250)	
Income taxes paid		(111,046)		(231,660)	
<b>Net cash inflow from operating activities</b>		<b>895,933</b>		<b>785,241</b>	
<b>Investing activities</b>					
Purchase of intangible assets		-	(50,000)		
Purchase of tangible fixed assets		(106,307)	(1,012,014)		
Proceeds on disposal of tangible fixed assets		31,114	3,598		
Interest received		6,056	2,738		
<b>Net cash used in investing activities</b>		<b>(69,137)</b>		<b>(1,055,678)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(183,188)	304,145		
Dividends paid to equity shareholders		-	(554,000)		
<b>Net cash used in financing activities</b>		<b>(183,188)</b>		<b>(249,855)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>643,608</b>		<b>(520,292)</b>	
Cash and cash equivalents at beginning of year		1,088,931		1,609,223	
<b>Cash and cash equivalents at end of year</b>		<b>1,732,539</b>		<b>1,088,931</b>	

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2019

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### 1 Accounting policies

#### Company information

LH Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is L H G House Northside, Marwick Road, March, PE15 8PH.

The group consists of LH Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MARCH 2019

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### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of LH Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 29 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is recognised on the supply of finished goods in respect of Tradelink Direct Limited and on installation in respect of Homelink Windows Limited, which is when the risks and rewards have been transferred to the customer.

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

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets.

Previously goodwill was being written off in equal instalments over its estimated economic life of 20 years. Upon transition to FRS 102, goodwill had a remaining estimated economic life of 9 years. The directors still consider this estimate reasonable and will write off the remaining goodwill in equal instalments over the estimated economic life of 9 years from the point of transition to FRS 102.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10-20% per annum straight line
Plant and equipment	20% per annum reducing balance
Fixtures and fittings	15% per annum reducing balance

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

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.9 Stocks

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

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

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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



# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 29 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

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

#### **1.12 Equity instruments**

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

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.14 Employee benefits

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

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

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

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

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

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

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

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

### 2 Judgements and key sources of estimation uncertainty

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

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

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 3 Turnover and other revenue

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of goods	19,746,322	18,846,174
Rendering of services	1,559,988	1,811,901
	<u>21,306,310</u>	<u>20,658,075</u>

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	6,056	2,738
	<u>6,056</u>	<u>2,738</u>

### 4 Operating (loss)/profit

	2019 £	2018 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	316,494	270,631
Depreciation of tangible fixed assets held under finance leases	171,760	152,563
Loss/(profit) on disposal of tangible fixed assets	78,150	(664)
Amortisation of intangible assets	188,939	188,731
Cost of stocks recognised as an expense	11,194,108	10,579,210
Operating lease charges	344,114	286,773
	<u>12,113,565</u>	<u>11,478,972</u>

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,650	2,575
Audit of the financial statements of the company's subsidiaries	14,700	14,025
	<u>17,350</u>	<u>16,600</u>

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MARCH 2019

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administration (including directors)	53	45	-	-
Manufacture and distribution	171	168	-	-
Selling operatives	21	17	-	-
	<u>245</u>	<u>230</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	6,077,393	5,702,163	-	-
Social security costs	548,842	493,766	-	-
Pension costs	116,847	79,754	-	-
	<u>6,743,082</u>	<u>6,275,683</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	344,563	362,014
Company pension contributions to defined contribution schemes	29,670	30,443
	<u>374,233</u>	<u>392,457</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	161,130	144,523
Company pension contributions to defined contribution schemes	13,200	13,200
	<u>174,330</u>	<u>157,723</u>

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	6,056	1,908
Other interest income	-	830
	<u>6,056</u>	<u>2,738</u>

### 9 Interest payable and similar expenses

	2019 £	2018 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	23,585	23,023
Other interest	-	227
	<u>23,585</u>	<u>23,250</u>

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	51,281	201,494
	<u>51,281</u>	<u>201,494</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(43,846)	3,978
	<u>(43,846)</u>	<u>3,978</u>
<b>Total tax charge</b>	<u>7,435</u>	<u>205,472</u>

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 29 MARCH 2019

#### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(157,743)	869,424
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(29,971)	165,191
Tax effect of expenses that are not deductible in determining taxable profit	(1,000)	8,802
Effect of change in corporation tax rate	-	(388)
Depreciation on assets not qualifying for tax allowances	2,508	2,354
Amortisation on assets not qualifying for tax allowances	35,898	35,858
Other differences	-	(6,345)
Taxation charge for the year	7,435	205,472

#### 11 Dividends

	2019 £	2018 £
Interim paid	-	554,000

#### 12 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 30 March 2018 and 29 March 2019	3,728,784
<b>Amortisation and impairment</b>	
At 30 March 2018	2,763,877
Amortisation charged for the year	188,939
At 29 March 2019	2,952,816
<b>Carrying amount</b>	
At 29 March 2019	775,968
At 29 March 2018	964,907

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 13 Tangible fixed assets

Group	Leasehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£	£
<b>Cost</b>					
At 30 March 2018	774,901	20,318	5,148,700	381,785	6,325,704
Additions	2,064	27,000	57,700	19,543	106,307
Disposals	(26,521)	-	(139,961)	(46,296)	(212,778)
Transfers	-	(17,918)	17,918	-	-
At 29 March 2019	750,444	29,400	5,084,357	355,032	6,219,233
<b>Depreciation and impairment</b>					
At 30 March 2018	482,004	-	3,439,524	286,099	4,207,627
Depreciation charged in the year	78,225	-	377,442	32,587	488,254
Eliminated in respect of disposals	(6,790)	-	(70,551)	(26,173)	(103,514)
At 29 March 2019	553,439	-	3,746,415	292,513	4,592,367
<b>Carrying amount</b>					
At 29 March 2019	197,005	29,400	1,337,942	62,519	1,626,866
At 29 March 2018	292,897	20,318	1,709,177	95,686	2,118,078
<b>Last year c/fwd cost</b>	774,901	20,318	5,148,701	381,785	
<b>Differs from this year b/fwd by</b>	-	-	(1)	-	

The company had no tangible fixed assets at 29 March 2019 or 29 March 2018.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and equipment	341,931	443,596	-	-
Motor vehicles	209,773	294,162	-	-
	551,704	737,758	-	-

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	5,358,731	5,358,731



# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MARCH 2019

### 14 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 30 March 2018 and 29 March 2019

5,358,731

#### Carrying amount

At 29 March 2019

5,358,731

At 29 March 2018

5,358,731

### 15 Subsidiaries

Details of the company's subsidiaries at 29 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Homelink Windows Limited	England and Wales	Installation of uPVC and Aluminium windows, doors and conservatory products.	Ordinary £1 shares	-	100.00
L.H Group Limited	England and Wales	Holding company	Ordinary £1 shares	100.00	-
MPM Windows Limited	England and Wales	Dormant company	Ordinary £1 shares	-	100.00
Tradelink Direct Limited	England and Wales	Manufacture and supply of uPVC and Aluminium windows, doors and conservatory products.	Ordinary £1 shares	-	100.00

### 16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,103,337	2,356,502	-	-
Equity instruments measured at cost less impairment	-	-	5,358,731	5,358,731
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,196,855	3,446,253	5,119,650	5,189,575

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	436,324	499,904	-	-
Work in progress	54,550	104,625	-	-
Finished goods and goods for resale	70,925	151,966	-	-
	<u>561,799</u>	<u>756,495</u>	<u>-</u>	<u>-</u>

Included within stock is a provision for impairment losses amounting to £60,498 (2017: £83,118).

### 18 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,102,334	2,350,230	-	-
Other debtors	1,003	6,272	-	-
Prepayments and accrued income	198,851	174,029	-	-
	<u>2,302,188</u>	<u>2,530,531</u>	<u>-</u>	<u>-</u>

### 19 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Obligations under finance leases	21	164,058	171,199	-	-
Trade creditors		2,235,073	2,282,234	-	-
Amounts owed to group undertakings		-	-	5,117,000	5,187,000
Corporation tax payable		23,304	83,069	-	-
Other taxation and social security		479,692	439,043	-	-
Other creditors		67	-	-	-
Accruals and deferred income		343,690	344,850	2,650	2,575
		<u>3,245,884</u>	<u>3,320,395</u>	<u>5,119,650</u>	<u>5,189,575</u>

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Obligations under finance leases	21	294,661	470,708	-	-

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 MARCH 2019

### 21 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	164,058	171,199	-	-
In two to five years	294,661	470,708	-	-
	<u>458,719</u>	<u>641,907</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### Security

Assets held under finance lease are secured against the assets to which they relate.

### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	<u>94,808</u>	<u>138,654</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 30 March 2018	138,654	-
Credit to profit or loss	(43,846)	-
Liability at 29 March 2019	<u>94,808</u>	<u>-</u>

No significant change is expected in the deferred tax liability in the following 12 month period.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 23 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	116,847	79,754

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 24 Share capital

	Group and company	
	2019	2018
Ordinary share capital Issued and fully paid	£	£
20 Ordinary shares of £1 each	20	20

### 25 Operating lease commitments

#### Lessee

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year:	372,355	410,707	-	-
Between two and five years	909,170	1,070,415	-	-
In over five years	410,083	562,083	-	-
	1,691,608	2,043,205	-	-

### 26 Related party transactions

The company has taken advantage of the exemption available under FRS 102 from the disclosures relating to transactions with other wholly owned group companies.

### 27 Directors' transactions

Dividends totalling £0 (2018 - £415,500) were paid in the year in respect of shares held by the company's directors.

# LH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2019

### 28 Cash generated from group operations

	2019 £	2018 £
(Loss)/profit for the year after tax	(165,178)	663,952
<b>Adjustments for:</b>		
Taxation charged	7,435	205,472
Finance costs	23,585	23,250
Investment income	(6,056)	(2,738)
Loss/(gain) on disposal of tangible fixed assets	78,150	(664)
Amortisation and impairment of intangible assets	188,939	188,731
Depreciation and impairment of tangible fixed assets	488,254	423,194
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	194,696	(153,526)
Decrease/(increase) in debtors	228,343	(362,203)
(Decrease)/increase in creditors	(7,604)	54,683
<b>Cash generated from operations</b>	<b>1,030,564</b>	<b>1,040,151</b>