

Company registration number: 02681563

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

PROAV LIMITED



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PROAV LIMITED

COMPANY INFORMATION

Directors	L Brookes R Brookes F Hazell
Registered number	02681563
Registered office	ProAV House Omega Way Egham Surrey TW20 8RD
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Victoria House 50-58 Victoria Road Farnborough Hampshire GU14 7PG

PROAV LIMITED

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PROAV LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The principal activity of the company during the year remained focused on the activities of design, supply, installation and support of Audio Visual, Video Conferencing & Large Format Display Systems.

Business review

The company continues to perform as forecasted with increased levels of turnover and profitability compared with the previous year, achieved through an increased portfolio of services, opening of strategic office locations to service customer requirements and project delivery efficiency. Gross profit increased from £21.6m to £24.7m.

Facilities Management and Support Services have continued to perform well with increased activity in EMEA, APAC and US regions. The Network Operations Centre (NOC) continues to attract overseas and domestic clients allowing the company to provide a wider portfolio of products and services. The continued investment in the NOC sets the group aside from other AV Companies by providing consistent state of the art support and intelligence framework that is designed to be compatible for specific customer needs.

As at 31 March 2019, employee numbers have increased further to 362 (2018: 323). The group has minimal dependency on external resources as a result of its ongoing AV training programmes. Our infrastructure is aligned to manage our forecasted increase in business maintaining a good work life balance for all team members.

The company remains able and committed to attracting high calibre of associates allowing ongoing business growth with improved infrastructure.

The company continues to be supported by Barclays Bank who provide an adequate and agile financial resource which supports our strategic and growth plans. The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. ProAV Limited maintained a strong balance sheet position increasing assets again from £3.6m to £4.4m.

For the foreseeable future, the company will continue to develop its business along similar lines to those followed in previous years, whilst maintaining consideration to market and geographic changes in trading. Last year the company introduced Frankfurt operations to facilitate improved European delivery and mitigate some risk associated with Brexit. Regional offices in Scotland and Eire were launched in Q2 FY19 with the local appointment of Regional Management and technical staff. For 2020 the group is developing its presence in the United States.

Principal risks and uncertainties

Competition risk

As a leader in this industry, proAV identifies with its competitors and continues to evolve to meet and surpass client expectations and quality of service. The directors regularly identify, monitor and ensure appropriate processes are in place to mitigate potential risks and uncertainties.

Financial risk

It is considered that the company's exposure to risk in terms of credit, liquidity, interest rates and cash flow is not material to the financial statements.

PROAV LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators

Service versus project revenue split for the year was 19:81 (2018: 20:80).
Employee numbers for the year was 362 (2018: 323).

These are in line with the directors expectations, and are discussed in the business review above.

This report was approved by the board and signed on its behalf.



F Hazell
Director

Date: 7.10.19.

PROAV LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors

The directors who served during the year were:

L Brookes
R Brookes
F Hazell

Results and dividends

The profit for the year, after taxation, amounted to £2,099,001 (2018 - £1,907,735).

Particulars of dividends paid are detailed in note 12 to the financial statements.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

PROAV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements 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 company will continue in business.

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

Matters covered in the strategic report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulation 2018. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

PROAV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



.....
F Hazell
Director

Date:

7.10.19

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROAV LIMITED

Opinion

We have audited the financial statements of ProAV Limited (the 'company') for the year ended 31 March 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROAV LIMITED (CONTINUED)

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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 on page 4, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

PROAV LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROAV
LIMITED (CONTINUED)

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 Auditors' 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.



Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Victoria House
50-58 Victoria Road
Farnborough
Hampshire
GU14 7PG

Date: 11/10/19

PROAV LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	71,881,927	60,483,908
Cost of sales		(47,177,741)	(38,842,518)
Gross profit		24,704,186	21,641,390
Administrative expenses		(22,226,725)	(19,615,789)
Operating profit	5	2,477,461	2,025,601
Interest receivable and similar income	8	-	7,660
Interest payable and expenses	9	1,811	(8,803)
Profit before tax		2,479,272	2,024,458
Tax on profit	10	(380,271)	(116,723)
Profit after tax		2,099,001	1,907,735
Retained earnings at the beginning of the year		3,531,153	2,810,040
		3,531,153	2,810,040
Profit for the year		2,099,001	1,907,735
Dividends declared and paid		(1,241,697)	(1,186,622)
Retained earnings at the end of the year		4,388,457	3,531,153

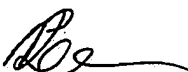
The notes on pages 11 to 22 form part of these financial statements.

PROAV LIMITED
REGISTERED NUMBER:02681563

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	<u>997,715</u>	<u>1,273,274</u>
		997,715	1,273,274
Current assets			
Stocks	13	6,252,564	2,951,551
Debtors: amounts falling due within one year	14	18,567,957	22,009,509
Cash at bank and in hand		60,057	361,818
		<u>24,880,578</u>	<u>25,322,878</u>
Creditors: amounts falling due within one year	15	<u>(21,439,836)</u>	<u>(23,014,219)</u>
Net current assets		3,440,742	2,308,659
Total assets less current liabilities		4,438,457	3,581,933
Creditors: amounts falling due after more than one year	16	-	(780)
Net assets		4,438,457	3,581,153
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account	20	4,388,457	3,531,153
		<u>4,438,457</u>	<u>3,581,153</u>

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


.....
F Hazell
Director
Date: 7.10.19.

The notes on pages 11 to 22 form part of these financial statements.

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

proAV Limited is an individual private limited company incorporated and domiciled in the United Kingdom. The address of its registered office, which is the same as its principal place of business, is disclosed on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of proAV Holdings Limited as at 31 March 2019 and these financial statements may be obtained from Companies House.

2.3 Revenue

Project Revenue

When the outcome of a project can be measured reliably, the entity will recognise both the income and costs by reference to the percentage of completion of the contract, as stipulated by the contract timelines.

Service/Support Revenue

Revenue is recognised over the length of the service period. The revenue is released evenly over the duration of each contract.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to premises	- Over the term of the lease
Motor vehicles	- 33.3% p.a. straight line
Fixtures and fittings	- Over the term of the lease/30% p.a. straight line
Computer equipment	- 30% p.a. straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The company did not make any significant judgements (apart from those involving estimations which are detailed below) that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment.

There were no other key sources of estimation uncertainty.

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Audio visual income	58,259,614	48,100,223
Facilities management income	13,622,313	12,383,685
	<u>71,881,927</u>	<u>60,483,908</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	65,646,389	51,728,934
Rest of the world	6,235,538	8,754,974
	<u>71,881,927</u>	<u>60,483,908</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	449,962	459,046
Exchange differences	(35,667)	(19,954)
Defined contribution pension cost	485,926	407,507
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	22,000	18,000
	<u>826,221</u>	<u>844,600</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	16,213,504	14,112,994
Social security costs	1,822,364	1,561,227
Cost of defined contribution scheme	485,926	407,507
	<u>18,521,794</u>	<u>16,081,728</u>

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

	2019 No.	2018 No.
Directors	3	3
Audio Visual	145	123
Facilities management	176	165
Operations	38	32
	<u>362</u>	<u>323</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	512,770	505,014
Company contributions to defined contribution pension schemes	70,000	51,648
	<u>582,770</u>	<u>556,662</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £206,073 (2018 - £204,067).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL).

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8. Interest receivable

	2019 £	2018 £
Other interest receivable	-	7,660
	<u>-</u>	<u>7,660</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	7,696	3,064
Finance leases and hire purchase contracts	(9,507)	5,739
	<u>(1,811)</u>	<u>8,803</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	478,622	366,415
Adjustments in respect of previous periods	(110,269)	(255,813)
	<u>368,353</u>	<u>110,602</u>
Total current tax	<u>368,353</u>	<u>110,602</u>
Deferred tax		
Origination and reversal of timing differences	11,918	6,121
Total deferred tax	<u>11,918</u>	<u>6,121</u>
Taxation on profit on ordinary activities	<u>380,271</u>	<u>116,723</u>

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	2,479,272	2,024,458
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	471,062	384,647
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20,922	11,774
Capital allowances for year in excess of depreciation	8,010	9,292
Adjustments to tax charge in respect of prior periods	(110,269)	(255,813)
Changes to the tax rate on deferred tax balances	(1,402)	-
Non-taxable income	(35)	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	2,281
Double taxation relief	(95)	-
Group relief	(7,922)	(35,458)
Total tax charge for the year	380,271	116,723

11. Dividends

	2019 £	2018 £
Equity dividends on ordinary A shares	550,800	459,000
Equity dividends on ordinary B shares	649,200	541,000
Distribution for group relief on taxation	41,697	186,622
	1,241,697	1,186,622

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12. Tangible fixed assets

	Improvement to leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2018	3,092,910	31,884	1,961,927	1,019,588	6,106,309
Additions	-	-	45,772	128,632	174,404
At 31 March 2019	3,092,910	31,884	2,007,699	1,148,220	6,280,713
Depreciation					
At 1 April 2018	2,159,708	26,569	1,833,798	812,960	4,833,035
Charge for the year on owned assets	260,135	-	30,088	132,500	422,723
Charge for the year on financed assets	-	5,315	12,614	9,311	27,240
At 31 March 2019	2,419,843	31,884	1,876,500	954,771	5,282,998
Net book value					
At 31 March 2019	673,067	-	131,199	193,449	997,715
At 31 March 2018	933,202	5,315	128,129	206,628	1,273,274

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Improvements to leasehold properties	-	224,808
Motor vehicles	-	5,314
Furniture, fittings and equipment	-	51,507
Computer equipment	-	9,311
	<u>-</u>	<u>290,940</u>

13. Stocks

	2019 £	2018 £
Finished goods and goods for resale	6,252,564	2,951,551
	<u>6,252,564</u>	<u>2,951,551</u>

Stock recognised in cost of sales during the year as an expense was £47,176,040 (2018 - £38,842,518) .

14. Debtors

	2019 £	2018 £
Trade debtors	8,528,526	12,754,674
Amounts owed by group undertakings	7,760,804	6,847,832
Other debtors	34,087	47,226
Prepayments and accrued income	2,199,655	2,302,974
Deferred taxation	44,885	56,803
	<u>18,567,957</u>	<u>22,009,509</u>

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	56,185	-
Bank loans	-	38,044
Trade creditors	10,024,145	8,414,658
Corporation tax	319,768	366,415
Other taxation and social security	1,854,978	1,417,620
Obligations under finance lease and hire purchase contracts	-	39,583
Other creditors	2,562,058	6,017,272
Accruals and deferred income	6,622,702	6,720,627
	<u>21,439,836</u>	<u>23,014,219</u>

Included within other creditors is an amount of £2,561,135 (2018 - £6,013,803) which relates to invoice discounting on which there is recourse to the company.

Secured loans

Included within bank loans, overdrafts, invoice discounting and hire purchase agreements are amounts owed to Barclays Bank Plc who hold fixed and floating charges secured on the assets of the company.

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	-	780
	<u>-</u>	<u>780</u>

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	-	39,583
Between 1-5 years	-	780
	<u>-</u>	<u>40,363</u>

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. Deferred taxation

	2019 £	2018 £
At beginning of year	56,803	62,924
Charged to profit or loss	(11,918)	(6,121)
At end of year	<u>44,885</u>	<u>56,803</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Decelerated capital allowances	44,885	47,962
Unpaid pensions	-	8,841
	<u>44,885</u>	<u>56,803</u>

19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
22,950 (2018 - 22,950) A Ordinary Shares shares of £1.00 each	22,950	22,950
27,050 (2018 - 27,050) B Ordinary Shares shares of £1.00 each	27,050	27,050
	<u>50,000</u>	<u>50,000</u>

All shares rank equally in terms of voting rights, dividends and capital distribution and do not confer any rights of redemptions.

20. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £485,926 (2018 - £407,507).

PROAV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

22. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	274,302	243,017
Later than 1 year and not later than 5 years	631,238	671,786
Later than 5 years	2,330	76,644
	<u>907,870</u>	<u>991,447</u>

All of the above amounts relate to land and buildings.

Amounts charged to the income statement during the year were £243,017 (2018 - £247,470).

23. Controlling party

The company's parent company is proAV Holdings Limited, a company registered in the United Kingdom at Proav House, Omega Way, Egham, Surrey, TW20 8RD.

The consolidated financial statements of proAV Holdings Limited which include this company are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is the director R Brookes.