

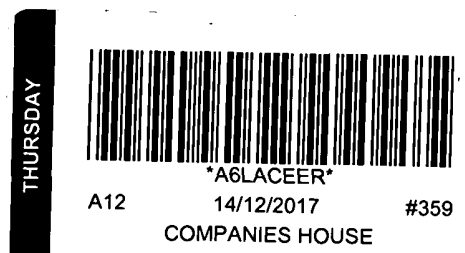
Company registration number 02681563

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2017**

**PROAV LIMITED**



**MENZIES**  
BRIGHTER THINKING

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# PROAV LIMITED

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## COMPANY INFORMATION

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

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# PROAV LIMITED

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## CONTENTS

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	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements:	8 - 22
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	23 - 26

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# PROAV LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

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### 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 performed as forecasted with increased levels of profitability compared with the previous year, achieved through an increased portfolio of services and project delivery efficiency.

Facilities Management and Support Services have continued to perform well in the UK - the introduction of the Network Operations Centre operating 24/7 has attracted overseas and domestic clients allowing proAV to provide a wider portfolio of products and services.

Employee numbers have risen, allowing the focus on ensuring the company infrastructure is aligned to manage the forthcoming forecasted increase in business providing a continuous work life balance for staff members.

The company continues to be supported by Barclays Bank as we enter the 25th year of our relationship. Adequate and agile financial resources have been confirmed to manage its business commitments in line with our strategic planning and growth. The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

For the foreseeable future, the company will continue to develop its business along similar lines to those followed in previous years, whilst maintaining consideration of market and geographic changes in trading. The company has introduced Frankfurt operations to facilitate improved European delivery and mitigate any risk associated with Brexit.

### 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.

#### Financial key performance indicators

Service versus project revenue split for the year was 24:76 (2016: 22:78).

Return on investment for the year was 0.52 (2016: 0.60).

Current ratio for the year was 1.09:1 (2016: 1.05:1).

This report was approved by the board on

and signed on its behalf.

F Hazell  
Director



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# PROAV LIMITED

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

### 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 £1,590,957 (2016 - £1,480,284).

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.

### Future developments

The directors will continue to develop the business along similar lines to those followed in previous years.

### 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.

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# PROAV LIMITED

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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### 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 judgments 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.

### 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.

### Post balance sheet events

There have been no significant events affecting the company since the year end.

### 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 on

and signed on its behalf.

F Hazell  
Director



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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROAV LIMITED**

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We have audited the financial statements of proAV Limited for the year ended 31 March 2017, set out on pages 6 to 22. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

**Opinion on other matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

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PROAV LIMITED

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

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**Matters on which we are required to report by exception**

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, 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.



Roberto Lobue FCA (Senior statutory auditor)

for and on behalf of  
Menzie's LLP

Chartered Accountants  
Statutory Auditor

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

Date: 12/12/17



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# PROAV LIMITED

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## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

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	Note	2017 £	2016 £
Turnover	4	53,258,678	59,426,420
Cost of sales		(33,263,127)	(39,685,625)
<b>Gross profit</b>		<b>19,995,551</b>	<b>19,740,795</b>
Administrative expenses		(17,978,246)	(18,163,301)
<b>Operating profit</b>	5	<b>2,017,305</b>	<b>1,577,494</b>
Interest receivable and similar income	9	256	-
Interest payable and expenses	10	(18,864)	(37,330)
<b>Profit before tax</b>		<b>1,998,697</b>	<b>1,540,164</b>
Tax on profit	11	(407,740)	(59,880)
<b>Profit after tax</b>		<b>1,590,957</b>	<b>1,480,284</b>
Retained earnings at the beginning of the year		2,402,705	1,972,421
		<b>2,402,705</b>	<b>1,972,421</b>
Profit for the year		1,590,957	1,480,284
Dividends declared and paid		(1,183,622)	(1,050,000)
<b>Retained earnings at the end of the year</b>		<b>2,810,040</b>	<b>2,402,705</b>

The notes on pages 8 to 22 form part of these financial statements.

**PROAV LIMITED**  
**REGISTERED NUMBER: 02681563**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	<u>1,574,603</u>	<u>2,037,319</u>
		<b>1,574,603</b>	<b>2,037,319</b>
<b>Current assets</b>			
Stocks	14	3,399,763	2,657,514
Debtors: amounts falling due within one year	15	14,608,882	10,916,328
Cash at bank and in hand	16	<u>199,775</u>	<u>879,162</u>
		<b>18,208,420</b>	<b>14,453,004</b>
Creditors: amounts falling due within one year	17	<u>(16,862,934)</u>	<u>(13,788,084)</u>
<b>Net current assets</b>		<b>1,345,486</b>	<b>664,920</b>
<b>Total assets less current liabilities</b>		<b>2,920,089</b>	<b>2,702,239</b>
Creditors: amounts falling due after more than one year	18	<u>(60,049)</u>	<u>(249,534)</u>
<b>Net assets</b>		<b>2,860,040</b>	<b>2,452,705</b>
<b>Capital and reserves</b>			
Called up share capital	22	50,000	50,000
Profit and loss account	23	<u>2,810,040</u>	<u>2,402,705</u>
		<b>2,860,040</b>	<b>2,452,705</b>

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

**F Hazell**  
**Director**

The notes on pages 8 to 22 form part of these financial statements.



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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 1. General information

proAV Limited is an individual private limited company incorporated and domiciled in the United Kingdom. The address of its registered office and 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 judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 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 2017 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 2. Accounting policies (continued)

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 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.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 2. Accounting policies (continued)

#### 2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

#### 2.6 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.

#### 2.7 Financial instruments

The company only enters into basic financial instruments 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts, receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 2. Accounting policies (continued)

#### 2.8 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

#### 2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 2.10 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

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.

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 2. Accounting policies (continued)

#### 2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 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 company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

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 13 for the carrying amount of the property plant and equipment.

There were no other key sources of estimation uncertainty.

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 4. Turnover

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

	2017 £	2016 £
Audio visual income	40,510,827	46,394,242
Facilities management income	12,747,851	13,032,178
	<u>53,258,678</u>	<u>59,426,420</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	48,585,089	54,152,484
Rest of the world	4,673,589	5,273,936
	<u>53,258,678</u>	<u>59,426,420</u>

### 5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	595,574	699,669
Exchange differences	(67,740)	2,295
Defined contribution pension cost	335,115	516,494
	<u></u>	<u></u>

### 6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	16,600	15,600
	<u>16,600</u>	<u>15,600</u>
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	30,318	88,437
All other services	8,020	12,000
	<u>38,338</u>	<u>100,437</u>



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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 7. Employees

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

	2017 £	2016 £
Wages and salaries	12,857,800	12,735,346
Social security costs	1,421,762	1,402,800
Cost of defined contribution scheme	335,115	516,494
	<u>14,614,677</u>	<u>14,654,640</u>

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

	2017 No.	2016 No.
Staff	<u>304</u>	<u>295</u>

### 8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	504,173	503,320
Company contributions to defined contribution pension schemes	11,250	160,233
	<u>515,423</u>	<u>663,553</u>

During the year retirement benefits were accruing to 3 directors (2016 -3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £204,077 (2016 - £203,509).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2016 -£56,000).

### 9. Interest receivable

	2017 £	2016 £
Other interest receivable	256	-
	<u>256</u>	<u>-</u>

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	7,920	12,183
Finance leases and hire purchase contracts	10,944	25,147
	<u>18,864</u>	<u>37,330</u>

### 11. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	393,737	136,807
	<u>393,737</u>	<u>136,807</u>
<b>Total current tax</b>	<u>393,737</u>	<u>136,807</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	14,003	(76,927)
<b>Total deferred tax</b>	<u>14,003</u>	<u>(76,927)</u>
<b>Taxation on profit on ordinary activities</b>	<u>407,740</u>	<u>59,880</u>

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 -lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,998,697	1,540,164
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 -20%)	399,739	308,033
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,929	58,713
Capital allowances for year in excess of depreciation	52,314	(127,836)
Adjustments to tax charge in respect of prior periods	-	(107,882)
Qualifying charitable donations	(2,518)	-
Changes in provisions leading to an increase (decrease) in the tax charge	(10,000)	-
Double taxation relief	-	(13,424)
Group relief	(36,724)	(57,724)
Total tax charge/(credit) for the year	407,740	59,880

### 12. Dividends

	2017 £	2016 £
Equity dividends on ordinary A shares	459,000	481,950
Equity dividends on ordinary B shares	541,000	568,050
Distribution for group relief	183,622	-
	1,183,622	1,050,000

# PROAV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 13. Tangible fixed assets

	Improvement to leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2016	3,092,909	31,884	1,930,064	776,331	5,831,188
Additions	-	-	12,749	121,455	134,204
Disposals	-	-	-	(16,269)	(16,269)
At 31 March 2017	<u>3,092,909</u>	<u>31,884</u>	<u>1,942,813</u>	<u>881,517</u>	<u>5,949,123</u>
<b>Depreciation</b>					
At 1 April 2016	1,639,439	5,313	1,572,875	576,243	3,793,870
Charge for the year on owned assets	260,135	-	172,110	90,767	523,012
Charge for the year on financed assets	-	10,628	20,453	41,482	72,563
Disposals	-	-	-	(14,921)	(14,921)
At 31 March 2017	<u>1,899,574</u>	<u>15,941</u>	<u>1,765,438</u>	<u>693,571</u>	<u>4,374,524</u>
<b>Net book value</b>					
At 31 March 2017	<u>1,193,335</u>	<u>15,943</u>	<u>177,375</u>	<u>187,946</u>	<u>1,574,599</u>
At 31 March 2016	<u>1,453,470</u>	<u>26,571</u>	<u>357,190</u>	<u>200,088</u>	<u>2,037,319</u>

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 13. Tangible fixed assets (continued)

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

	2017 £	2016 £
Improvements to leasehold properties	13,774	19,139
Motor vehicles	15,942	26,570
Furniture, fittings and equipment	76,695	91,783
Computer equipment	40,853	82,335
	<u>147,264</u>	<u>219,827</u>

### 14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	3,399,763	2,657,514
	<u>3,399,763</u>	<u>2,657,514</u>

Stock recognised in cost of sales during the year as an expense was £33,613,262 (2016 - £39,634,460).

### 15. Debtors

	2017 £	2016 £
Trade debtors	8,995,501	6,628,588
Amounts owed by group undertakings	4,870,526	3,632,224
Other debtors	39,454	9,249
Prepayments and accrued income	640,477	569,340
Deferred taxation	62,924	76,927
	<u>14,608,882</u>	<u>10,916,328</u>

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	199,779	879,166
Less: bank overdrafts	(490,833)	-
	<u>(291,054)</u>	<u>879,166</u>

### 17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	490,833	-
Bank loans	150,512	150,512
Trade creditors	5,360,635	6,355,792
Corporation tax	489,105	244,688
Taxation and social security	1,404,078	1,310,067
Obligations under finance lease and hire purchase contracts	58,814	126,847
Other creditors	3,243,398	1,958,928
Accruals and deferred income	5,665,559	3,641,250
	<u>16,862,934</u>	<u>13,788,084</u>

Included within other creditors is an amount of £3,243,397 (2016 - £1,958,928) which relates to factored debts on which there is recourse to the company.

### 18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	33,895	177,419
Net obligations under finance leases and hire purchase contracts	26,154	72,115
	<u>60,049</u>	<u>249,534</u>

#### Secured loans

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

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 19. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	150,512	150,512
	<u>150,512</u>	<u>150,512</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	33,895	177,419
	<u>33,895</u>	<u>177,419</u>

### 20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	58,814	126,847
Between 1-2 years	26,155	72,115
	<u>84,969</u>	<u>198,962</u>

### 21. Deferred taxation

	2017 £	2016 £
At beginning of year	76,927	-
Charged to profit or loss	(14,003)	76,927
At end of year	<u>62,924</u>	<u>76,927</u>

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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	56,124	60,727
Unpaid pensions	6,800	16,200
	<u>62,924</u>	<u>76,927</u>

### 22. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
22,950 A Ordinary Shares shares of £1 each	22,950	22,950
27,050 B Ordinary Shares shares of £1 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.

### 23. Reserves

#### Profit and loss account

This reserve records retained earnings and accumulated losses.

### 24. 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 £335,114 (2016 - £516,494).



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# PROAV LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 25. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	244,219	232,216
Later than 1 year and not later than 5 years	798,026	774,099
Later than 5 years	170,630	335,630
<b>Total</b>	<b>1,212,875</b>	<b>1,341,945</b>

All of the above amounts relate to land and buildings.

Amounts charged to the income statement during the year were £255,549 (2016 - £232,853).

### 26. Related party transactions

The company has taken advantage of the exemption that transactions with group undertakings need not be disclosed as proAV Limited is a wholly owned subsidiary and is included in consolidated group financial statements which are publicly available.

### 27. Controlling party

The company's parent company is proAV Holdings, a company registered in the United Kingdom.

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 parties are the directors R Brookes and F Hazell.