

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2016
FOR
CUSTOM COVERS HOLDINGS LIMITED**

SATURDAY



A62HCW4Y

A17

18/03/2017

#159

COMPANIES HOUSE

CUSTOM COVERS HOLDINGS LIMITED

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30TH NOVEMBER 2016**

Page

Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Income Statement	5
Consolidated Other Comprehensive Income	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13

CUSTOM COVERS HOLDINGS LIMITED

COMPANY INFORMATION
for the Year Ended 30TH NOVEMBER 2016

DIRECTORS:

R D Sanders BA, ACA
R S P Bell MRINA, CEng, BSc

REGISTERED OFFICE:

Quayside Road
Bitterne Manor
Southampton
SO18 1AD

REGISTERED NUMBER:

04389533 (England and Wales)

AUDITORS:

Underwood Barron LLP
Statutory Auditors
Monks Brook House
13-17 Hursley Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2FW

CUSTOM COVERS HOLDINGS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30TH NOVEMBER 2016

The directors present their report with the financial statements of the company and the group for the year ended 30th November 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of manufacturing and supplying marquees and covers.

The principal activity of Custom Covers Holdings Limited was that of a holding company.

REVIEW OF BUSINESS

The company acquired its subsidiary, Custom Covers (1984) Ltd on 23rd May 2002. A review of its business can be found in its financial statements.

Custom Covers Holdings Ltd invests retained earnings into equity shares and money market bank accounts as part of its treasury operations.

Consolidated turnover for the year was up 7.6% to £7,300.2K (2015: £6,782K) a group record. Net profit after tax for the year was £477K up 6.4% on the prior year (2015 £448K). Gross profit was £2,055.8K or 28.2% (2015 £1,979.3K or 29.2%).

Turnover for the year is up and operating and net profits are also up despite pressure on operating margins during 2016 when compared to the prior year. All these factors have given us the confidence to continue to invest in increased capacity in Custom Covers (1984) Ltd ahead of the 2017 season.

The prediction that 2016 would be a year of solid revenue growth has happened and was accompanied by growth in turnover and profits. We now predict another year of increased sales on the back of further expansion currently taking place. We continue to have a strong balance sheet and with the market volatility we see in a wider context we feel that's a good place to be. Our main priority is to continue to invest in the business and drive revenue growth.

DIVIDENDS

The company paid a final dividend of £8.11 per share on its ordinary shares in March 2016 based on its results of the year ended 30 November 2015. The amount paid was £92,454.

An interim dividend of £13 per share on its ordinary shares was paid in August 2016 amounting to £148,200.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st December 2015 to the date of this report.

R D Sanders BA, ACA
R S P Bell MRINA, CEng, BSc

CUSTOM COVERS HOLDINGS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30TH NOVEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's activities expose it to a number of financial risks: market risk: (foreign exchange and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management procedure focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under procedures approved by the Managing Director. The Group evaluates and hedges financial risks. Taken in order these risks are as follows.

(a) Market risk (i) Foreign exchange risk: The Group buys a significant % of its raw materials outside the UK and hence has foreign exchange risk. This risk is hedged by the purchase of forward foreign exchange contracts when foreign purchased goods are received. (ii) cash flow interest rate risk is minimal at present as the Group has no borrowings.

(b) Credit risk: credit risk is managed by the finance function. Finance is responsible for managing and analysing the credit risk for new customers before standard payment and delivery terms and conditions are offered. For existing customers credit risk is analysed monthly and reviewed by the management committee. Credit risk arises from cash deposits with banks, as well as credit exposures to retail customers, including outstanding receivables and committed transactions.

With respect to credit risk arising from the other financial assets of the group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

(c) Liquidity risk The Group monitors its risk to a shortage of funds using a cash flow forecasting model. This model considers the maturity of both its financial assets and financial liabilities (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans where applicable in order to ensure that there is sufficient cash or working capital facilities to meet the requirements of the Group for its current business plan.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

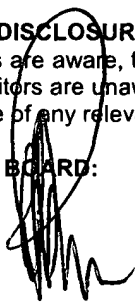
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:



.....
R D Sanders BA, ACA - Director

Date: 14 March 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CUSTOM COVERS HOLDINGS LIMITED

We have audited the financial statements of Custom Covers Holdings Limited for the year ended 30th November 2016 on pages five to twenty one. The financial reporting framework that has been applied in their preparation is 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'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th November 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

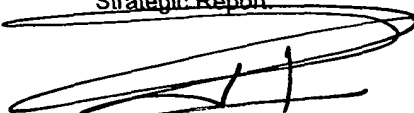
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.



Clive Underwood (Senior Statutory Auditor)
for and on behalf of Underwood Barron LLP
Statutory Auditors
Monks Brook House
13-17 Hursley Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2FW

Date: 14 March 2017

CUSTOM COVERS HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
for the Year Ended 30TH NOVEMBER 2016**

	Notes	30.11.16 £	30.11.15 £
TURNOVER	3	7,300,235	6,782,675
Cost of sales		<u>5,244,464</u>	<u>4,803,330</u>
GROSS PROFIT		2,055,771	1,979,345
Administrative expenses		<u>1,444,794</u>	<u>1,417,470</u>
		610,977	561,875
Other operating income	4	<u>1,710</u>	<u>900</u>
OPERATING PROFIT	6	612,687	562,775
Interest receivable and similar income		<u>865</u>	<u>1,138</u>
PROFIT BEFORE TAXATION		613,552	563,913
Tax on profit	7	<u>137,051</u>	<u>115,962</u>
PROFIT FOR THE FINANCIAL YEAR		<u>476,501</u>	<u>447,951</u>
Profit attributable to: Owners of the parent		<u>476,501</u>	<u>447,951</u>

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Year Ended 30TH NOVEMBER 2016**

	Notes	30.11.16 £	30.11.15 £
PROFIT FOR THE YEAR		476,501	447,951
OTHER COMPREHENSIVE INCOME			
Profit and loss on investments		(45,834)	(84,663)
Revaluation reserve		(3,858)	(3,857)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(49,692)	(88,520)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>426,809</u>	
Prior year adjustment			(137,217)
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u>222,214</u>
Total comprehensive income attributable to: Owners of the parent		<u>426,809</u>	<u>222,214</u>

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED (REGISTERED NUMBER: 04389533)

**CONSOLIDATED BALANCE SHEET
30TH NOVEMBER 2016**

	Notes	30.11.16 £	£	30.11.15 £	£
FIXED ASSETS					
Tangible assets	10		1,693,834		1,367,278
Investments	11		-		-
			<u>1,693,834</u>		<u>1,367,278</u>
CURRENT ASSETS					
Stocks	12	1,044,207		1,031,314	
Debtors	13	489,399		654,090	
Investments	14	43,365		90,285	
Cash at bank and in hand		1,300,805		1,089,364	
		<u>2,877,776</u>		<u>2,865,053</u>	
CREDITORS					
Amounts falling due within one year	15	988,455		882,346	
NET CURRENT ASSETS			<u>1,889,321</u>		<u>1,982,707</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,583,155</u>		<u>3,349,985</u>
PROVISIONS FOR LIABILITIES	18		<u>66,467</u>		<u>19,452</u>
NET ASSETS			<u><u>3,516,688</u></u>		<u><u>3,330,533</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		11,400		11,400
Share premium	20		178,952		178,952
Revaluation reserve	20		356,700		360,558
Capital redemption reserve	20		567,221		567,221
Retained earnings	20		2,402,415		2,212,402
SHAREHOLDERS' FUNDS			<u><u>3,516,688</u></u>		<u><u>3,330,533</u></u>

The financial statements were approved by the Board of Directors on 14 March 2017 and were signed on its behalf by:


.....
R D Sanders BA, ACA - Director

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED (REGISTERED NUMBER: 04389533)

**COMPANY BALANCE SHEET
30TH NOVEMBER 2016**

	Notes	30.11.16 £	£	30.11.15 £	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		1,171,661		1,171,661
			<u>1,171,661</u>		<u>1,171,661</u>
CURRENT ASSETS					
Debtors	13	4,402		22,762	
Investments	14	43,365		90,285	
Cash at bank		223,080		224,953	
		<u>270,847</u>		<u>338,000</u>	
CREDITORS					
Amounts falling due within one year	15	2,370		3,000	
		<u>2,370</u>		<u>3,000</u>	
NET CURRENT ASSETS			<u>268,477</u>		<u>335,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>1,440,138</u></u>		<u><u>1,506,661</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		11,400		11,400
Share premium	20		178,952		178,952
Capital redemption reserve	20		567,221		567,221
Retained earnings	20		682,565		749,088
			<u>1,440,138</u>		<u>1,506,661</u>
SHAREHOLDERS' FUNDS			<u><u>1,440,138</u></u>		<u><u>1,506,661</u></u>
Company's profit for the financial year			<u><u>223,823</u></u>		<u><u>202,016</u></u>

The financial statements were approved by the Board of Directors on 14th March 2017 and were signed on its behalf by:


R D Sanders BA, ACA - Director

CUSTOM COVERS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30TH NOVEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st December 2014	11,400	2,075,251	178,952
Prior year adjustment	-	(137,217)	-
As restated	<u>11,400</u>	<u>1,938,034</u>	<u>178,952</u>
Changes in equity			
Dividends	-	(88,920)	-
Total comprehensive income	-	363,288	-
Balance at 30th November 2015	<u>11,400</u>	<u>2,212,402</u>	<u>178,952</u>
Changes in equity			
Dividends	-	(240,654)	-
Total comprehensive income	-	430,667	-
Balance at 30th November 2016	<u>11,400</u>	<u>2,402,415</u>	<u>178,952</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1st December 2014	364,415	567,221	3,197,239
Prior year adjustment	-	-	(137,217)
As restated	<u>364,415</u>	<u>567,221</u>	<u>3,060,022</u>
Changes in equity			
Dividends	-	-	(88,920)
Total comprehensive income	(3,857)	-	359,431
Balance at 30th November 2015	<u>360,558</u>	<u>567,221</u>	<u>3,330,533</u>
Changes in equity			
Dividends	-	-	(240,654)
Total comprehensive income	(3,858)	-	426,809
Balance at 30th November 2016	<u>356,700</u>	<u>567,221</u>	<u>3,516,688</u>

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30TH NOVEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st December 2014	11,400	861,729	178,952	567,221	1,619,302
Prior year adjustment	-	(137,217)	-	-	(137,217)
As restated	<u>11,400</u>	<u>724,512</u>	<u>178,952</u>	<u>567,221</u>	<u>1,482,085</u>
Changes in equity					
Dividends	-	(88,920)	-	-	(88,920)
Total comprehensive income	-	113,496	-	-	113,496
Balance at 30th November 2015	<u>11,400</u>	<u>749,088</u>	<u>178,952</u>	<u>567,221</u>	<u>1,506,661</u>
Changes in equity					
Dividends	-	(240,654)	-	-	(240,654)
Total comprehensive income	-	174,131	-	-	174,131
Balance at 30th November 2016	<u>11,400</u>	<u>682,565</u>	<u>178,952</u>	<u>567,221</u>	<u>1,440,138</u>

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30TH NOVEMBER 2016**

	Notes	30.11.16 £	30.11.15 £
Cash flows from operating activities			
Cash generated from operations	1	978,038	566,275
Tax paid		(121,214)	(119,225)
Net cash from operating activities		<u>856,824</u>	<u>447,050</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(408,422)	(32,874)
Sale of tangible fixed assets		5,600	375
Sale of fixed asset investments		(2,772)	-
Interest received		865	1,138
Net cash from investing activities		<u>(404,729)</u>	<u>(31,361)</u>
Cash flows from financing activities			
Equity dividends paid		(240,654)	(88,920)
Net cash from financing activities		<u>(240,654)</u>	<u>(88,920)</u>
Increase in cash and cash equivalents		<u>211,441</u>	<u>326,769</u>
Cash and cash equivalents at beginning of year	2	1,089,364	762,595
Cash and cash equivalents at end of year	2	<u><u>1,300,805</u></u>	<u><u>1,089,364</u></u>

The notes form part of these financial statements

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30TH NOVEMBER 2016

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

	30.11.16	30.11.15
	£	£
Profit before taxation	613,552	563,913
Depreciation charges	78,495	55,588
Profit on disposal of fixed assets	(2,229)	(370)
Finance income	(865)	(1,138)
	<u>688,953</u>	<u>617,993</u>
Increase in stocks	(12,893)	(73,812)
Decrease in trade and other debtors	164,691	13,775
Increase in trade and other creditors	<u>137,287</u>	<u>8,319</u>
Cash generated from operations	<u><u>978,038</u></u>	<u><u>566,275</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30th November 2016

	30.11.16	1.12.15
	£	£
Cash and cash equivalents	<u><u>1,300,805</u></u>	<u><u>1,089,364</u></u>

Year ended 30th November 2015

	30.11.15	1.12.14
	£	£
Cash and cash equivalents	<u><u>1,089,364</u></u>	<u><u>762,595</u></u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 30TH NOVEMBER 2016

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover is the amount derived from ordinary activities, and is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, and is stated net of VAT.

Revenue as specified in the strategic report is recognised when all the following conditions are satisfied:

1. The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
2. The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
3. the amount of revenue can be measured reliably;
4. it is probable that the economic benefits associated with the transaction will flow to the Company; and
5. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Tangible fixed assets

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

Freehold property	- 10% on cost and 1% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on plant and equipment is charged to profit or loss so as to write off their value, over their estimated useful lives using the straight-line method.

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Freehold land is not depreciated.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs and an appropriate allocation of production overheads, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 30TH NOVEMBER 2016

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit at the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

The financial statements are presented in Sterling, which is also the functional currency of the Company.

Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the income statement. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Pension costs and other post-retirement benefits

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

Current asset investments

Current asset investments are stated in the balance sheet at market value.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Fixed asset investments

Fixed asset investments are stated in the balance sheet at cost less any accumulated impairment losses.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	30.11.16	30.11.15
	£	£
United Kingdom	7,080,335	6,564,675
Rest of Europe	216,900	183,000
Rest of the World	3,000	35,000
	<u>7,300,235</u>	<u>6,782,675</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30TH NOVEMBER 2016

4. OTHER OPERATING INCOME

Other operating income includes interest and dividends receivable from investments amounting to £1,710 (2015: £900).

5. EMPLOYEES AND DIRECTORS

	30.11.16	30.11.15
	£	£
Wages and salaries	2,190,428	2,181,164
Social security costs	212,843	212,285
Other pension costs	45,542	28,838
	<u>2,448,813</u>	<u>2,422,287</u>

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

	30.11.16	30.11.15
Production staff	56	54
Administrative staff	19	18
	<u>75</u>	<u>72</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 75 (2015 - 72).

	30.11.16	30.11.15
	£	£
Directors' remuneration	256,276	255,091
Directors' pension contributions to money purchase schemes	4,260	4,671
	<u>260,536</u>	<u>259,762</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	30.11.16	30.11.15
	£	£
Emoluments etc	<u>147,716</u>	<u>148,568</u>

6. OPERATING PROFIT

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

	30.11.16	30.11.15
	£	£
Depreciation - owned assets	78,495	55,588
Profit on disposal of fixed assets	(2,229)	(370)
Auditors' remuneration	11,400	10,076
Taxation compliance services	900	900
	<u>88,566</u>	<u>66,194</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30TH NOVEMBER 2016

7. TAXATION

Analysis of the tax charge

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

	30.11.16 £	30.11.15 £
Current tax:		
UK corporation tax	89,278	120,473
Group relief	758	-
Total current tax	90,036	120,473
Deferred tax	47,015	(4,511)
Tax on profit	<u>137,051</u>	<u>115,962</u>

Tax effects relating to effects of other comprehensive income

	30.11.16 Gross £	Tax £	Net £
Profit and loss on investments	(45,834)	-	(45,834)
Revaluation reserve	(3,858)	-	(3,858)
	<u>(49,692)</u>	<u>-</u>	<u>(49,692)</u>

	30.11.15 Gross £	Tax £	Net £
Profit and loss on investments	(84,663)	-	(84,663)
Revaluation reserve	(3,857)	-	(3,857)
	<u>(88,520)</u>	<u>-</u>	<u>(88,520)</u>

8. INDIVIDUAL INCOME STATEMENT

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

9. DIVIDENDS

	30.11.16 £	30.11.15 £
Ordinary shares of £1 each		
Ordinary - paid	<u>240,654</u>	<u>88,920</u>

CUSTOM COVERS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30TH NOVEMBER 2016**

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1st December 2015	1,351,949	631,880	94,142
Additions	45,646	316,432	42,444
Disposals	-	(17,242)	(14,297)
At 30th November 2016	1,397,595	931,070	122,289
DEPRECIATION			
At 1st December 2015	117,219	558,217	81,763
Charge for year	10,624	43,630	7,590
Eliminated on disposal	-	(14,132)	(14,257)
At 30th November 2016	127,843	587,715	75,096
NET BOOK VALUE			
At 30th November 2016	1,269,752	343,355	47,193
At 30th November 2015	1,234,730	73,663	12,379
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1st December 2015	89,286	162,788	2,330,045
Additions	-	3,900	408,422
Disposals	-	(31,123)	(62,662)
At 30th November 2016	89,286	135,565	2,675,805
DEPRECIATION			
At 1st December 2015	71,375	134,193	962,767
Charge for year	6,235	10,416	78,495
Eliminated on disposal	-	(30,902)	(59,291)
At 30th November 2016	77,610	113,707	981,971
NET BOOK VALUE			
At 30th November 2016	11,676	21,858	1,693,834
At 30th November 2015	17,911	28,595	1,367,278

Included in cost or valuation of land and buildings is freehold land of £460,851 (2015 - £460,851) which is not depreciated.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 30TH NOVEMBER 2016**

10. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 30th November 2016 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2000	126,383	-	-
Valuation in 2004	406,779	-	-
Cost	864,433	931,070	122,289
	<u>1,397,595</u>	<u>931,070</u>	<u>122,289</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2000	-	-	126,383
Valuation in 2004	-	-	406,779
Cost	89,286	135,565	2,142,643
	<u>89,286</u>	<u>135,565</u>	<u>2,675,805</u>

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

	30.11.16 £	30.11.15 £
Cost	<u>864,443</u>	<u>818,787</u>

Freehold property was valued on a market value basis on 28th November 2014 by Vail Williams, Chartered Surveyors.

Since the valuation of £1,300,000 is not a significant difference from the book value of the property the financial statements have not been adjusted.

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st December 2015 and 30th November 2016	<u>1,171,661</u>
NET BOOK VALUE	
At 30th November 2016	<u>1,171,661</u>
At 30th November 2015	<u>1,171,661</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 30TH NOVEMBER 2016**

11. FIXED ASSET INVESTMENTS - continued

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

Subsidiary

Custom Covers (1984) Limited

Registered office: Quayside Road, Bitterne Manor, Southampton, SO18 1AD.

Nature of business: Manufacture and supply of covers and marquees.

		% holding		
Class of shares:				
Ordinary £1		100.00		
			30.11.16	30.11.15
			£	£
Aggregate capital and reserves			3,248,212	2,995,533
Profit for the year			479,374	451,209
			<u> </u>	<u> </u>

12. STOCKS

		Group	
		30.11.16	30.11.15
		£	£
Raw materials and consumables		462,917	448,308
Work-in-progress		30,710	24,851
Finished goods		550,580	558,155
		<u> </u>	<u> </u>
		1,044,207	1,031,314
		<u> </u>	<u> </u>

Included in finished goods is hire stock valued at £222,525 (2015 - £217,052).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.11.16	30.11.15	30.11.16	30.11.15
	£	£	£	£
Trade debtors	420,352	577,565	-	-
Amounts owed by group undertakings	-	-	4,402	22,004
Prepayments and accrued income	69,047	76,525	-	758
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	489,399	654,090	4,402	22,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. CURRENT ASSET INVESTMENTS

	Group		Company	
	30.11.16	30.11.15	30.11.16	30.11.15
	£	£	£	£
Listed investments	43,365	90,285	43,365	90,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Market value of listed investments at 30th November 2016 held by the group and the company - £43,365

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30TH NOVEMBER 2016

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.11.16	30.11.15	30.11.16	30.11.15
	£	£	£	£
Trade creditors	391,700	351,691	-	-
Taxation and social security	276,417	244,037	-	-
Other creditors	320,338	286,618	2,370	3,000
	<u>988,455</u>	<u>882,346</u>	<u>2,370</u>	<u>3,000</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.11.16	30.11.15
	£	£
Within one year	6,000	-
Between one and five years	330,000	-
In more than five years	412,500	-
	<u>748,500</u>	<u>-</u>

17. SECURED DEBTS

HSBC Bank PLC has a total of 4 outstanding fixed and floating charges over the undertaking and all property and assets present and future including book and all other debts uncalled capital.

18. PROVISIONS FOR LIABILITIES

	Group	
	30.11.16	30.11.15
	£	£
Deferred tax		
Accelerated capital allowances	<u>66,467</u>	<u>19,452</u>
Group		
		Deferred tax
		£
Balance at 1st December 2015		19,452
Provided during year		47,015
Balance at 30th November 2016		<u>66,467</u>

19. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	30.11.16	30.11.15
		£1	£	£
11,400	Ordinary		<u>11,400</u>	<u>11,400</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30TH NOVEMBER 2016

20. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st December 2015	2,212,402	178,952	360,558	567,221	3,319,133
Profit for the year	476,501				476,501
Dividends	(240,654)				(240,654)
Transfer from revaluation reserve	3,858	-	(3,858)	-	-
Unrealised (loss) on revaluation of current asset investments	(49,692)	-	-	-	(49,692)
At 30th November 2016	<u>2,402,415</u>	<u>178,952</u>	<u>356,700</u>	<u>567,221</u>	<u>3,505,288</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1st December 2015	749,088	178,952	567,221	1,495,261
Profit for the year	223,823			223,823
Dividends	(240,654)			(240,654)
Unrealised (loss) on revaluation of current asset investments	(49,692)	-	-	(49,692)
At 30th November 2016	<u>682,565</u>	<u>178,952</u>	<u>567,221</u>	<u>1,428,738</u>

21. CAPITAL COMMITMENTS

	30.11.16 £	30.11.15 £
Contracted but not provided for in the financial statements	-	225,000

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R D Sanders BA, ACA.

23. FIRST YEAR ADOPTION

The Group has adopted the accounting standards FRS 102.

No changes in equity or profit and loss has arisen due to the adoption of FRS 102.