

Company's Registered Number: 03064811

**BHoldings Limited**

**Report and financial statements  
for the year ended**

**31 March 2018**



## **BHoldings Limited**

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## **BHoldings Limited**

### **DIRECTORS AND ADVISERS**

#### **Directors**

Lady Bamford  
Lord Bamford  
Ruth Kennedy

#### **Secretary**

Steven Ovens

#### **Registered office**

19 Mossop Street  
London  
SW3 2LY

#### **Auditors**

Nexia Smith & Williamson Audit Limited  
Chartered Accountants  
25 Moorgate  
London  
EC2R 6AY

## STRATEGIC REPORT

The directors present the group strategic report for BHoldings Limited and its subsidiary companies for the year ended 31 March 2018.

### Activities

The principal activities of the group continue to be retail and leisure.

### Business review

Over the past year, the group has invested in its subsidiary company activities to support growth and profitability. Although turnover increased in line with the business growth strategy, the loss increased from £5,041,879 to £6,074,190 as a result of the continued investment in infrastructure to support the short term goal of profitability.

The directors are confident that trading results will continue to improve in the year to 31 March 2019 as the group advances towards profitability.

### Financial risk management

Details of the group's financial instruments and its policies with regard to financial risk management are given in note 22.

Approved by the board of directors  
and signed on behalf of the board



Lady Carole Bamford

Director

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 2018.

### Results for the period and dividends

The group loss for the year after taxation was £6,074,190 (2017: loss £5,041,879). The directors do not recommend the payment of a dividend.

### Directors

The directors of the company during the year were:

Lady Bamford  
Lord Bamford  
Ruth Kennedy

### Disclosure of information to the auditors

In the case of each person who was a director at the time of this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board of directors  
and signed on behalf of the board

  
Lady Bamford

Director

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 group and parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 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 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 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; and
- 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 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 responsible steps for the prevention and detection of fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of BHoldings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the strategic report and the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHOLDINGS LIMITED  
(continued)**

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.

**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 group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHOLDINGS LIMITED  
(continued)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*

Keith Jackman  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

[Date]

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2018**

|  | Notes | 2018<br>£          | 2017<br>£          |
|--|-------|--------------------|--------------------|
| Turnover   | 1     | 109,981,192        | 90,645,106         |
| Cost of sales  |       | (79,366,553)       | (59,430,467)       |
| <b>Gross profit</b>  |       | <b>30,614,639</b>  | <b>31,214,639</b>  |
| Administrative expenses  |       | (35,815,872)       | (35,070,013)       |
| <b>Operating loss</b>  |       | <b>(5,201,233)</b> | <b>(3,855,374)</b> |
| Interest payable   | 5     | (835,884)          | (1,047,385)        |
| <b>Loss before taxation</b>  | 6     | <b>(6,037,117)</b> | <b>(4,902,759)</b> |
| Taxation   | 7     | (140,007)          | (126,400)          |
| <b>Loss after taxation</b>   |       | <b>(6,177,124)</b> | <b>(5,029,159)</b> |
| Equity minority interests  |       | 102,934            | (12,720)           |
| <b>Loss for the financial year and total comprehensive income for the financial year</b> |       | <b>(6,074,190)</b> | <b>(5,041,879)</b> |

Loss and total comprehensive income for the financial year is attributable to the owners of the parent.

## CONSOLIDATED BALANCE SHEET as at 31 March 2018

|   | Notes | 2018<br>£     | 2017<br>£     |
|---|-------|---------------|---------------|
| <b>Fixed assets</b>                                     |       |               |               |
| Tangible assets   | 8     | 8,680,836     | 8,643,804     |
| <b>Current assets</b>                                   |       |               |               |
| Stocks  | 10    | 15,769,866    | 9,250,764     |
| Debtors   | 11    | 26,887,958    | 10,382,574    |
| Cash at bank and in hand                                | 12    | 7,551,793     | 4,484,957     |
|   |       | 50,209,617    | 24,118,295    |
| Creditors: amounts falling due within one year          | 13    | (138,695,452) | (105,848,234) |
| <b>Net current liabilities</b>                          |       | (88,485,835)  | (81,729,939)  |
| <b>Total assets less current liabilities</b>            |       | (79,804,999)  | (73,086,135)  |
| Creditors: amounts falling due after more than one year | 14    | (1,312,955)   | (1,849,105)   |
| <b>Net liabilities</b>                                  |       | (81,117,954)  | (74,935,240)  |
| <b>Capital and reserves</b>                             |       |               |               |
| Share capital   | 16    | 37,400,389    | 37,400,389    |
| Retained earnings                                       |       | (119,423,023) | (113,348,833) |
| Foreign exchange reserve                                |       | 116,230       | 121,820       |
|   |       | (81,906,404)  | (75,826,624)  |
| <b>Equity minority interests</b>                        |       | 788,450       | 891,384       |
|   |       | (81,117,954)  | (74,935,240)  |

The accounts were approved and authorised for issue by the Board of Directors on  
and were signed on its behalf by:

  
Lady Bamford

Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018**

|                                | Share<br>Capital<br>£ | Retained<br>Earnings<br>£ | Foreign<br>exchange<br>reserve<br>£ | Total equity<br>£ |
|--------------------------------|-----------------------|---------------------------|-------------------------------------|-------------------|
| Balance at 1 April 2016        | 37,400,389            | (108,306,954)             | (30,529)                            | (70,937,094)      |
| Loss for the year              | -                     | (5,041,879)               | -                                   | (5,041,879)       |
| Other comprehensive<br>income: |                       |                           |                                     |                   |
| • Foreign exchange<br>reserve  | -                     | -                         | 152,349                             | 152,349           |
| Total comprehensive<br>income  | -                     | (5,041,879)               | 152,349                             | (4,889,530)       |
| Balance at 31 March 2017       | 37,400,389            | (113,348,833)             | 121,820                             | (75,826,624)      |
| Loss for the year              | -                     | (6,074,190)               | -                                   | (6,074,190)       |
| Other comprehensive<br>income: |                       |                           |                                     |                   |
| • Foreign exchange<br>reserve  | -                     | -                         | (5,590)                             | (5,590)           |
| Total comprehensive<br>income  | -                     | (6,074,190)               | (5,590)                             | (6,079,780)       |
| Balance at 31 March 2018       | 37,400,389            | (119,423,023)             | 116,230                             | (81,906,404)      |

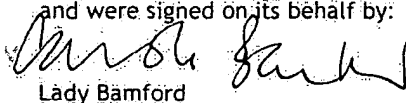
## CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2018

|  | Notes | 2018<br>£   | 2017<br>£   |
|--|-------|-------------|-------------|
| <b>Net cash generated from operating activities</b>      | 18    | 1,136,364   | 538,955     |
| <b>Investing activities</b>                              |       |             |             |
| Purchase of tangible assets                              |       | (1,914,054) | (1,171,759) |
| <b>Net cash (used in) investing activities</b>           |       | (1,914,054) | (1,171,759) |
| <b>Financing activities</b>                              |       |             |             |
| Repayment of borrowings                                  |       | (536,150)   | -           |
| New borrowings   |       | -           | 274,491     |
| Interest paid  |       | (835,884)   | (1,047,385) |
| <b>Net cash generated (used in) financing activities</b> |       | (1,372,034) | (772,894)   |
| <b>Net (decrease) in cash and cash equivalents</b>       |       | (2,149,724) | (1,405,698) |
| Cash and cash equivalents at beginning of the year       |       | 3,259,041   | 4,664,739   |
| <b>Cash and cash equivalents at end of year</b>          | 12    | 1,109,317   | 3,259,041   |

## COMPANY BALANCE SHEET as at 31 March 2018

|   | Notes | 2018<br>£           | 2017<br>£           |
|---|-------|---------------------|---------------------|
| <b>Fixed assets</b>                                   |       |                     |                     |
| Tangible assets                                       | 8     | 199,878             | 148,721             |
| Investments   | 9     | 37,300,391          | 37,300,391          |
|   |       | <u>37,500,269</u>   | <u>37,449,112</u>   |
| <b>Current assets</b>                                 |       |                     |                     |
| Debtors   | 11    | 44,303,299          | 40,969,286          |
|   |       | <u>44,303,299</u>   | <u>40,969,286</u>   |
| <b>Creditors: amounts falling due within one year</b> | 13    | (111,654,488)       | (104,947,901)       |
|   |       | <u>(67,351,189)</u> | <u>(63,978,615)</u> |
| <b>Net current liabilities</b>                        |       | <u>(67,351,189)</u> | <u>(63,978,615)</u> |
| <b>Net liabilities</b>                                |       | <u>(29,850,920)</u> | <u>(26,529,503)</u> |
| <b>Capital and reserves</b>                           |       |                     |                     |
| Share capital   | 16    | 37,400,389          | 37,400,389          |
| Retained earnings                                     |       | (67,251,309)        | (63,929,892)        |
|   |       | <u>(29,850,920)</u> | <u>(26,529,503)</u> |

The accounts were approved and authorised for issue by the Board of Directors on  
and were signed on its behalf by:

  
Lady Bamford

Director

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018

|   | Share capital<br>£ | Retained<br>earnings<br>£ | Total equity<br>£ |
|---|--------------------|---------------------------|-------------------|
| Balance at 1 April 2016                             | 37,400,389         | (61,359,714)              | (23,959,325)      |
| Loss and total comprehensive<br>income for the year | -                  | (2,570,178)               | (2,570,178)       |
| Balance at 31 March 2017                            | 37,400,389         | (63,929,892)              | (26,529,503)      |
| Loss and total comprehensive<br>income for the year | -                  | (3,321,417)               | (3,321,417)       |
| Balance at 31 March 2018                            | 37,400,389         | (67,251,309)              | (29,850,920)      |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**

**1 Accounting policies**

The principal accounting policies are summarised below.

**Basis of preparation**

BHoldings Limited is a private limited company incorporated in England and Wales. The address of the registered office is 19 Mossop Street, London SW3 2LY.

The financial statements have been prepared under the historical cost convention and on the going concern basis.

**Exemptions**

The parent company has taken advantage of the following exemptions available under FRS 102:

- The exemption from preparing a statement of cash flows; and
- The exemption from disclosing key management personnel compensation

**Basis of consolidation**

The group financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) prepared to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions and balances and any unrelated gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual statement of comprehensive income and related notes. The loss after tax of the parent company for the year was £3,321,417.



**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

**1 Accounting policies *(continued)***

**Going concern**

The group made a loss of during the year ended 31 March 2018 and as at 31 March 2018 the group's liabilities exceeded its assets by £81,117,954. Lord Bamford and Lady Bamford will ensure that financial support is available to enable the group and company to continue as going concerns and pay their liabilities as they fall due for a period of at least one year from the date of approval of these accounts by the board of directors. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would be required in the event of the withdrawal of this support.

**Revenue recognition**

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

**Foreign currency**

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance date sheet. Exchange differences are taken to operating profit.

**Taxation**

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

**Tangible assets**

Tangible assets comprise leasehold property, fixtures, fittings and equipment and plant and machinery. Leasehold property, fixtures, fittings and equipment and plant and machinery are stated at cost less accumulated depreciation and any recognised impairment loss.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
**(continued)**

**1 Accounting policies (continued)**

**Tangible assets (continued)**

Depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

|                                  |                          |
|----------------------------------|--------------------------|
| Leasehold property               | over period of the lease |
| Fixtures, fittings and equipment | two to seven years       |
| Plant and machinery              | two to seven years       |

**Impairment of non-financial assets**

At each balance sheet date, tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

**Investments**

Fixed asset investments are shown at cost less provision for impairment.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Financial Instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, which are an integral part of the group's cash management.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
(continued)

**1 Accounting policies (continued)**

**Financial instruments (continued)**

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of the direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**Leases**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

**Employee benefits**

Short term employment benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

**2 Key sources of estimation uncertainty and judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

**Judgements**

***Financial instruments classification***

The classification of financial instruments as “basic” or “other” requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

**Key sources of estimation uncertainty**

***Bad debt provisions***

The trade debtors balances are recorded in the group’s balance sheet. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable

**3 Directors’ emoluments**

|                      | 2018          | 2017          |
|----------------------|---------------|---------------|
|                      | £             | £             |
| Aggregate emoluments | <u>66,918</u> | <u>63,393</u> |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
(continued)

**4 Employee information**

The average number of persons, including directors employed by the group during the year was:

|   | 2018<br>Number | 2017<br>Number |
|---|----------------|----------------|
| Management, sales and administration    | 485            | 546            |
|   | £              | £              |
| Staff costs for the above persons were: |                |                |
| Wages and salaries                      | 18,064,535     | 16,531,006     |
| Social security costs                   | 1,701,570      | 1,383,097      |
| Pension costs                           | 793,582        | 469,788        |
|   | 20,559,687     | 18,383,891     |

**5 Interest payable**

|                           | £       | £         |
|---------------------------|---------|-----------|
| Bank loans and overdrafts | 202,206 | 226,872   |
| Other loans               | 633,678 | 820,513   |
|                           | 835,884 | 1,047,385 |

**6 Loss before taxation**

| is stated after charging/(crediting)  | £         | £         |
|---------------------------------------|-----------|-----------|
| Operating leases - land and buildings | 1,644,672 | 1,824,802 |
| Foreign exchange (gain)/loss          | (565,532) | 1,833,422 |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
**(continued)**

**6 Loss before taxation**  
is stated after charging (continued)

**Services provided by the company's auditor and its associate**

During the period the group obtained the following services and paid the following amounts:

|  | 2018<br>£   | 2017<br>£   |
|--|-------------|-------------|
| Auditor's remuneration for audit services  | 8,000       | 8,000       |
| Auditor's remuneration for non-audit services:   |             |             |
| - auditing of subsidiary accounts  | 44,598      | 44,660      |
| - tax services   | 27,117      | 37,120      |
| - accounting services  | 32,422      | 25,460      |
| Total non-audit fees   | 104,137     | 107,240     |
| <b>7 Taxation</b>  | <b>£</b>    | <b>£</b>    |
| (a) UK corporation tax at 19% (2017: 20 %)   | -           | -           |
| Foreign tax  | 140,007     | 126,400     |
|  | 140,007     | 126,400     |
| (b) Factors affecting tax charge for period  |             |             |
|  | <b>£</b>    | <b>£</b>    |
| Loss on ordinary activities before tax   | (6,037,117) | (4,902,759) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 19% (2017 20%) | (1,147,052) | (980,552)   |
| Effects of:  |             |             |
| Expenses not deductible for tax purposes - fixed assets  | 205,560     | 68,572      |
| Expenses not deductible for tax purposes   | 92,679      | 105,270     |
| Transfer pricing adjustments   | 2,667       | -           |
| Other tax adjustments  | -           | 51,353      |
| Other short term timing differences  | 164,082     | (216,673)   |
| Adjust deferred tax to average rate of 20%   | 62,111      | 1,026,189   |
| Deferred tax not recognised  | 619,953     | (54,159)    |
| Current tax charge for period  | -           | -           |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

**8 Tangible fixed assets**

| <b>Group</b>          | <b>Leasehold<br/>property<br/>£</b> | <b>Fixtures,<br/>fittings<br/>and<br/>equipment<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|-------------------------------------|---|--------------------------------------|--------------------|
| <b>Cost</b>           |                                     |   |                                      |                    |
| At 1 April 2017       | 9,311,422                           | 6,189,897   | 2,164,272                            | 17,665,591         |
| Additions             | 760,313                             | 988,364   | 165,377                              | 1,914,054          |
| Disposals             | -                                   | (55,158)  | -                                    | (55,158)           |
| At 31 March 2018      | 10,071,735                          | 7,123,103   | 2,329,649                            | 19,524,487         |
| <b>Depreciation</b>   |                                     |   |                                      |                    |
| At 1 April 2017       | 3,523,532                           | 4,327,364   | 1,170,891                            | 9,021,787          |
| Charge for the year   | 738,525                             | 775,049   | 328,693                              | 1,842,267          |
| Disposals             | -                                   | (20,403)  | -                                    | (20,403)           |
| At 31 March 2018      | 4,262,057                           | 5,082,010   | 1,499,584                            | 10,843,651         |
| <b>Net book value</b> |                                     |   |                                      |                    |
| At 31 March 2018      | 5,809,678                           | 2,041,093   | 830,065                              | 8,680,836          |
| At 31 March 2017      | 5,787,890                           | 1,862,533   | 993,381                              | 8,643,804          |

**BHoldings Limited**
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

|          |                              |                                     |  |  |
|----------|------------------------------|-------------------------------------|--|--|
| <b>8</b> | <b>Tangible fixed assets</b> |                                     |  |  |
|          | <b>Company</b>               | <b>Leasehold<br/>property<br/>£</b> | <b>Fixtures<br/>fittings and<br/>equipment<br/>£</b> | <b>Total<br/>£</b>                                     |
|          | <b>Cost</b>                  |                                     |  |  |
|          | At 1 April 2017              | 124,271                             | 605,926  | 730,197  |
|          | Additions                    | -                                   | 127,516  | 127,516  |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
|          | At 31 March 2018             | 124,271                             | 733,442  | 857,713  |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
|          | <b>Depreciation</b>          |                                     |  |  |
|          | At 1 April 2017              | 123,129                             | 458,347  | 581,476  |
|          | Charge for the period        | 315                                 | 76,044   | 76,359   |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
|          | At 31 March 2018             | 123,444                             | 534,391  | 657,835  |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
|          | <b>Net book value</b>        |                                     |  |  |
|          | At 31 March 2018             | 827                                 | 199,051  | 199,878  |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
|          | At 31 March 2017             | 1,142                               | 147,579  | 148,721  |
|          |                              | <hr/>                               | <hr/>  | <hr/>  |
| <b>9</b> | <b>Investments</b>           |                                     |  | <b>Shares in<br/>subsidiary<br/>undertakings<br/>£</b> |
|          | At 1 April 2017              |                                     |  |  |
|          | Provision for impairment     |                                     |  | 37,300,391   |
|          |                              |                                     |  | -  |
|          | At 31 March 2018             |                                     |  | <hr/>  |
|          |                              |                                     |  | 37,300,391   |
|          |                              |                                     |  | <hr/>  |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
**(continued)**

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

| Company                                  | Country of incorporation | Class    | Shares held % |
|--|--------------------------|----------|---------------|
| Daylesford Organic Limited               | England & Wales          | Ordinary | 100           |
| Bamford Limited                          | England & Wales          | Ordinary | 100           |
| JCB Power Products Limited               | England & Wales          | Ordinary | 90            |
| JCB World Brands India Private Limited   | India                    | Ordinary | 100           |
| JCB Power Products India Private Limited | India                    | Ordinary | 100           |
| JCB Groundcare Limited                   | England & Wales          | Ordinary | 100           |
| JCB Consumer Products Limited            | England & Wales          | Ordinary | 100           |
| JCB Power Products Broadcrown Limited    | England & Wales          | Ordinary | 100           |

**10 Stocks**

|                  | 2018<br>£  | 2017<br>£ |
|------------------|------------|-----------|
| <b>Group</b>     |            |           |
| Raw materials    | 6,626,858  | 1,945,507 |
| Finished goods   | 8,891,014  | 7,305,257 |
| Goods in transit | 251,994    | -         |
|                  | <hr/>      | <hr/>     |
|                  | 15,769,866 | 9,250,764 |

**11 Debtors**

|                                | £          | £          |
|--------------------------------|------------|------------|
| <b>Group</b>                   |            |            |
| Trade debtors                  | 15,979,432 | 5,115,319  |
| Other debtors                  | 8,434,300  | 1,783,226  |
| Prepayments and accrued income | 2,397,101  | 3,414,604  |
| Deferred tax asset             | 77,125     | 69,425     |
|                                | <hr/>      | <hr/>      |
|                                | 26,887,958 | 10,382,574 |

|                                      |            |            |
|--------------------------------------|------------|------------|
| <b>Company</b>                       |            |            |
| Trade debtors                        | 21,750     | 3,840      |
| Amounts owed from group undertakings | 44,118,772 | 40,733,689 |
| Other debtors                        | 35,565     | 30,147     |
| Prepayments and accrued income       | 127,212    | 201,610    |
|                                      | <hr/>      | <hr/>      |
|                                      | 44,303,299 | 40,969,286 |

**12 Cash and cash equivalents - group**

|                          | £           | £           |
|--------------------------|-------------|-------------|
| Cash at bank and in hand | 7,551,793   | 4,484,957   |
| Bank overdraft           | (6,442,476) | (1,225,916) |
|                          | <hr/>       | <hr/>       |
|                          | 1,109,317   | 3,259,041   |



**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

|   | 2018<br>£   | 2017<br>£   |
|---|-------------|-------------|
| <b>13 Creditors: amounts falling due within one year</b>          |             |             |
| <b>Group</b>  |             |             |
| Bank overdraft  | 6,442,476   | 1,225,916   |
| Trade creditors   | 23,589,803  | 10,671,978  |
| Other creditors   | 98,808,638  | 87,416,931  |
| Accruals and deferred income                                      | 9,854,535   | 6,533,409   |
|   | <hr/>       | <hr/>       |
|   | 138,695,452 | 105,848,234 |
|   | <hr/>       | <hr/>       |
| <b>Company</b>  |             |             |
| Bank overdraft  | 834,193     | 429,447     |
| Trade creditors   | 86,225      | 201,549     |
| Amounts owed to group undertakings                                | 23,707,167  | 20,217,917  |
| Other creditors   | 86,370,090  | 83,564,015  |
| Accruals and deferred income                                      | 656,813     | 534,973     |
|   | <hr/>       | <hr/>       |
|   | 111,654,488 | 104,947,901 |
|   | <hr/>       | <hr/>       |
| <b>14 Creditors: amounts falling due after more than one year</b> |             |             |
| <b>Group</b>  | £           | £           |
| Unsecured term loans  | 1,312,955   | 1,849,105   |
|   | <hr/>       | <hr/>       |

The terms of the unsecured term loans are as follows:

£218,826 repayable on 16 June 2019 with interest at 8.5% per annum  
£109,413 repayable on 30 July 2019 with interest at 8.5% per annum  
£109,413 repayable on 27 August 2019 with interest at 8.5% per annum  
£218,826 repayable on 18 December 2019 with interest at 8.5% per annum  
£218,826 repayable on 28 December 2019 with interest at 8.5% per annum  
£218,826 repayable on 26 March 2020 with interest at 8.5% per annum  
£109,413 repayable on 28 May 2020 with interest at 8.5% per annum  
£109,412 repayable on 29 June 2020 with interest at 8.5% per annum

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

|                                      | 2018       | 2017       |
|--------------------------------------|------------|------------|
| <b>15 Borrowings</b>                 |            |            |
| Falling due within one year          | £          | £          |
| Bank overdraft                       | 6,442,476  | 1,225,916  |
| Falling due after more than one year |            |            |
| Unsecured term loans                 | 1,312,955  | 1,849,105  |
| <b>16 Called up share capital</b>    | £          | £          |
| Ordinary shares of £1 each           | 100        | 100        |
| A shares of £1 each                  | 37,400,289 | 37,400,289 |
| Total share capital                  | 37,400,389 | 37,400,389 |

The ordinary shares and the A shares rank pari passu except the holders of A shares shall not be entitled to receive notice of or to attend and vote at any general meeting of the company unless the business of the meeting includes the consideration of a resolution for winding-up the company or for a reduction in the capital of the company or any resolution directly or adversely modifying or abrogating any of the special rights or privileges attaching to the A shares, in which case such resolution shall also be required to be passed at a separate meeting of the holders of the A shares.

The A shares will not confer on the holders of such shares any right to participate in the profits of the company.

The A shares rank in priority to the ordinary shares on a return of assets on a winding-up or liquidation of the company, after payment of other unsecured loans.

**17 Reserves**  
A description of each reserve is set out below

***Retained earnings***

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

***Foreign exchange reserve***

This reserve relates to foreign exchange movements arising on consolidation.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
(continued)

**18 Net cash generated from operating activities**  
- group

|  | 2018<br>£    | 2017<br>£   |
|--|--------------|-------------|
| Loss after tax                                   | (6,177,124)  | (5,029,159) |
| Tax charge                                       | 140,007      | 126,400     |
| Interest payable                                 | 835,884      | 1,047,385   |
| Depreciation charge                              | 1,842,267    | 1,609,151   |
| Loss on disposal of fixed assets                 | 34,755       | 155,006     |
| (Loss)/gain on foreign exchange                  | (5,590)      | 152,349     |
| (Increase) in stock                              | (6,519,102)  | (1,494,844) |
| (Increase)/decrease in debtors                   | (16,505,384) | 1,573,927   |
| Increase in creditors                            | 27,630,658   | 2,525,140   |
|  | <hr/>        | <hr/>       |
| <b>Cash generated from continuing operations</b> | 1,276,371    | 665,355     |
| Tax paid   | (140,007)    | (126,400)   |
|  | <hr/>        | <hr/>       |
|  | 1,136,364    | 538,955     |
|  | <hr/>        | <hr/>       |

**19 Operating lease commitments - group**

At the balance sheet date the group had total future minimum lease payments under non-cancellable leases as follows:

|                          | £          | £          |
|--------------------------|------------|------------|
| <b>Due:</b>              |            |            |
| Within one year          | 2,425,234  | 1,327,890  |
| Within one to two years  | 2,814,611  | -          |
| Within two to five years | 6,857,506  | 3,973,324  |
| After five years         | 12,035,264 | 5,092,627  |
|                          | <hr/>      | <hr/>      |
|                          | 24,132,615 | 10,393,841 |
|                          | <hr/>      | <hr/>      |

**20 Operating lease commitments - company**

At the balance sheet date the company had total future minimum lease payments under non-cancellable leases as follows:

|                          | £       | £       |
|--------------------------|---------|---------|
| <b>Due:</b>              |         |         |
| Within one year          | 286,200 | 175,041 |
| Within two to five years | 545,000 | 40,000  |
|                          | <hr/>   | <hr/>   |
|                          | 831,200 | 215,041 |
|                          | <hr/>   | <hr/>   |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

**21 Related party transactions**

During the year, the group made the following transactions with companies in which the shareholders have an interest:

|   | 2018       | 2017       |
|---|------------|------------|
|   | £          | £          |
| Sales:  |            |            |
| JCB Service and subsidiaries                    | 3,487,212  | 3,288,180  |
| Thrip Enterprises LLP                           | 115,698    | 59,116     |
| Lady Bamford and her family                     | 205,260    | 135,665    |
| Purchases:                                      |            |            |
| JCB Service and subsidiaries                    | 9,347,379  | 11,196,970 |
| Lady Bamford and her family                     | 615,770    | 346,352    |
| Included in debtors are the following amounts:  |            |            |
| JCB Service and subsidiaries                    | 591,592    | 401,500    |
| Thrip Enterprises LLP                           | 12,126     | 1,328      |
| Lady Bamford and her family                     | 228,456    | 60,400     |
| Included in creditors are the following amounts |            |            |
| JCB Service and subsidiaries                    | 42,221,038 | 34,274,066 |
| Lord Bamford                                    | 29,531,230 | 29,279,399 |
| Lady Bamford                                    | 12,590,397 | 12,496,577 |
| Jo Bamford                                      | 5,205,472  | 5,156,093  |
| Alice Bamford                                   | 5,205,472  | 5,156,093  |
| George Bamford                                  | 5,205,472  | 5,156,093  |
| Thrip Enterprises LLP                           | 18,200     | -          |

Interest at 1% above the base rate is payable on the following amounts which are included in creditors as disclosed above:

|                |            |            |
|----------------|------------|------------|
| Lord Bamford   | 21,216,000 | 21,216,000 |
| Lady Bamford   | 7,904,000  | 7,904,000  |
| Jo Bamford     | 4,160,000  | 4,160,000  |
| Alice Bamford  | 4,160,000  | 4,160,000  |
| George Bamford | 4,160,000  | 4,160,000  |

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the group. In the opinion of the board the group's key management are the directors of BHoldings limited. Total compensation to key management personnel is £66,918 (2017: £63,393).

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2018**  
*(continued)*

**22 Financial instruments - group**

The group's financial instruments comprise cash, cash equivalents and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the group's operations.

The group's operations expose it to a variety of financial risks including credit risk, liquidity risk and foreign currency exchange rate risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

*Credit risk*

The group's credit risk is primarily attributable to its trade debtors. The group has implemented policies that require appropriate credit checks on potential customers before sales are made.

The carrying amount of financial assets represents the maximum credit exposure.

*Liquidity risk*

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure it has sufficient available funds for operations and planned expansions. The group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The group's financial liabilities (none of which are derivative financial liabilities) comprise trade creditors and bank borrowings which are measured at amortised cost. The contractual maturity of the borrowings is shown in Note 14.

*Foreign currency exchange rate risk*

The group is exposed to foreign currency exchange rate risk as a result of trade debtors/creditors which are received/settled in US Dollars and Euros. The group has no material financial exposure to foreign exchange gains and losses on financial assets or liabilities at the year end and does not hedge any of its trading activities.

**23 Contingent liability**

There is a cross guarantee to the bank with BHoldings Limited and other subsidiaries in the group.

**24 Post balance sheet events**

On 4 February 2019, the company sold its shareholding in JCB Power Products Limited to JCB Service for £45.9m. The proceeds were used to repay a loan of £7.978m due to JCB Power Products Limited, repay a loan of £32.754m due to JCB Service and make a loan of £2.075m to Bamford Limited to enable Bamford Limited to repay a debt of the same amount to JCB Service.

**25 Ultimate controlling partly**

Lady Carole Bamford is the ultimate controlling party.