

**CORNEY & BARROW GROUP SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 APRIL 2017**



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**Directors**

E P K Weatherall  
P S Masters  
W S B Sanderson

**Company Secretary**

W S B Sanderson

**Registered Office**

No 1 Thomas More Street  
London E1W 1YZ

**Bankers**

HSBC Bank plc  
City Corporate Banking Centre  
60 Queen Victoria Street  
London EC4N 4TR

**Independent Auditor**

PKF Littlejohn LLP  
Statutory Auditor  
1 Westferry Circus  
Canary Wharf  
London E14 4HD

**Company Number**

04617383

**CORNEY & BARROW GROUP SERVICES LIMITED**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Corney & Barrow Group Services Limited will be held at No 1 Thomas More Street, London E1W 1YZ on 25 October 2017 for the following purposes:

1. To receive and adopt the Report of the Directors and the Financial Statements for the year ended 30 April 2017 together with the Report of the Independent Auditor.
2. To reappoint the independent auditor, PKF Littlejohn LLP, and to authorise the Directors to determine their remuneration.

By Order of the Board



**W S B Sanderson**

Secretary

26 September 2017

**Notes:**

1. A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote in their place. To be valid, forms of proxy must be received by the Company's registrars at least forty-eight hours before the time of the meeting. A proxy need not be a member of the Company.

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 30 April 2017.

**RESULTS AND DIVIDENDS**

The loss for the year before taxation amounted to £423,000 (2016 – profit £3,243,000). The loss after taxation amounted to £357,000 (2016 – profit £2,732,000).

No dividends were paid in the year (2016 – £283,000). The Directors do not propose to pay a final dividend for the year ended 30 April 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the Company was that of provider of management services and facilities to other Group members. On 10 February 2017 the Company entered into an Intra-Group Assets Sale and Purchase Agreement with fellow subsidiary undertaking Corney and Barrow Limited. Under the terms of that Agreement, the Company disposed of its business, assets and liabilities as at 31 October 2016 at their net book value at that date. In addition, HSBC Bank Plc released its charge over the assets of the Company from the date of disposal.

**FINANCIAL RISK MANAGEMENT**

The Company services its fellow subsidiaries and risk of non-payment of service fees is therefore considered to be negligible. Its prime asset – the freehold property at No 1 Thomas More Street – is well maintained and continues to satisfy regulatory inspections. The use of financial derivatives is governed by policies approved by the Board of Directors, which provide principles on the use of financial derivatives to manage cash flow risk. The Company uses foreign exchange forward contracts to hedge against the exposure of fellow subsidiary undertakings to risk of changes in foreign currency exchange rates.

**DIRECTORS**

The Directors who held office during the year were as follows:

P S Masters  
W S B Sanderson  
E P K Weatherall

E J W Gardner was appointed to the Board on 6 July 2016 and resigned from the Board on 30 April 2017.

**EMPLOYMENT POLICIES**

The Corney and Barrow Group has established employment policies to encourage an environment that promotes high productivity, good communications, effective employee consultation in management processes, and harmonious working relationships. We aim to recruit and to retain excellent, highly qualified and motivated staff with staff training a priority and a commitment.

Corney and Barrow is committed to ensuring that its recruitment and employment policies are without discrimination in the form of race, creed, gender, disability or otherwise. Corney and Barrow is committed to ensuring that its employees share in the success of the business.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the Company's policy that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

**RELEVANT AUDIT INFORMATION**

The Directors who held office at the date of approval of this Report of the Directors confirm that:

- so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that they might reasonably be expected to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITOR**

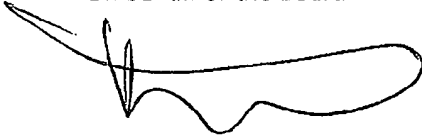
The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office as auditor.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**APPROVAL OF REDUCED DISCLOSURES**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objection has been received.

On behalf of the Board



**E P K Weatherall**  
Director

26 September 2017

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)*. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. 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, including FRS 102, 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 reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor's report to the members of Corney & Barrow Group Services Limited**

We have audited the Financial Statements of Corney & Barrow Group Services Limited for the year ended 30 April 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Accounting Policies and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. 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 (APB'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 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 Annual Report 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 Company's affairs as at 30 April 2017 and of the Company'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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report 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**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



David Thompson (Senior statutory auditor)  
For and on behalf of  
PKF Littlejohn LLP  
Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

26 September 2017

	Note	2017 £'000	2016 £'000
<b>Turnover</b>	2	2,006	4,226
Cost of sales		(523)	(852)
<b>Gross Profit</b>		1,483	3,374
Operating and administrative expenses		(1,459)	(2,994)
Costs in connection with the disposal of a fellow subsidiary undertaking		(536)	-
Other operating gains		-	2,650
<b>Operating (Loss)/Profit</b>	3	(512)	3,030
Interest receivable	5	-	69
Interest payable	5	(20)	(106)
Other finance income/(costs)	12	109	250
<b>(Loss)/Profit on Ordinary Activities before Taxation</b>		(423)	3,243
Tax on (loss)/profit on ordinary activities	6	66	(511)
<b>(Loss)/Profit for the Financial Year</b>		(357)	2,732
Other comprehensive income		-	-
<b>Total Comprehensive Income for the Year</b>		(357)	2,732

All amounts relate to discontinued operations.

The Accounting Policies and Notes on pages 12 to 23 form part of these Financial Statements.

**CORNEY & BARROW GROUP SERVICES LIMITED**  
Company Number: 04617383

**STATEMENT OF FINANCIAL POSITION**  
At 30 April 2017

	Note	2017 £'000	2016 £'000
<b>Fixed Assets</b>			
Intangible assets	7	-	2,929
Property, plant and equipment	8	-	8,778
			<u>11,707</u>
<b>Current Assets</b>			
Debtors due after more than one year	9	-	4,295
Debtors due within one year	10	6,847	773
Derivative financial instruments	12	-	52
		<u>6,847</u>	<u>5,120</u>
Creditors due within one year	11	-	(6,038)
<b>Net Current Assets/(Liabilities)</b>		<u>6,847</u>	<u>(918)</u>
<b>Total Assets less Current Liabilities</b>		<u>6,847</u>	<u>10,789</u>
Creditors: due after one year	13	-	(2,698)
<b>Provision for liabilities</b>	15	-	(863)
<b>Net Assets</b>		<u>6,847</u>	<u>7,228</u>
<b>Capital and Reserves</b>			
Called-up share capital	16	2,250	2,250
Capital contribution		-	24
Investment property revaluation reserve		-	4,582
Retained earnings		4,597	372
<b>Shareholders' Funds</b>		<u>6,847</u>	<u>7,228</u>

Approved and authorised for issue by the Board on 26 September 2017 and signed on its behalf by:

E P K Weatherall

P S Masters

) Directors

The Accounting Policies and Notes on pages 12 to 23 form part of these Financial Statements.

## CORNEY &amp; BARROW GROUP SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY  
Year ended 30 April 2017

	Called up share capital	Capital contribution	Investment property revaluation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 May 2015</b>	2,250	8	2,320	184	4,762
Profit for the year	-	-	2,262	471	2,733
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	2,262	471	2,733
Dividends	-	-	-	(283)	(283)
Share-based payments	-	16	-	-	16
<b>Total transactions with owners, recognised directly in equity</b>	-	16	-	(283)	(267)
<b>Balance as at 30 April 2016</b>	2,250	24	4,582	372	7,228
<b>Balance at 1 May 2016</b>	2,250	24	4,582	372	7,228
Loss for the year	-	-	-	(357)	(357)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(357)	(357)
Realised on disposal of net assets	-	-	(4,582)	4,582	-
Transfer intra group on disposal of business	-	(24)	-	-	(24)
<b>Total transactions with owners, recognised directly in equity</b>	-	(24)	(4,582)	4,582	(24)
<b>Balance as at 30 April 2017</b>	2,250	-	-	4,597	6,847

The Accounting Policies and Notes on pages 12 to 23 form part of these Financial Statements.

**GENERAL INFORMATION**

The Company was engaged until 31 October 2016 in the provision of management services and facilities to other Group members.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is No.1 Thomas More Street, London E1W 1YZ.

**STATEMENT OF COMPLIANCE**

The individual Financial Statements of Corney & Barrow Group Services Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these Financial Statements.

**BASIS OF PREPARATION**

The Financial Statements have been prepared on a going concern basis, under the historical cost convention modified to include certain items at fair value.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 1.

**GOING CONCERN**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors on page 4. Following the disposal of its business, assets and liabilities with effect from 31 October 2016, the Company no longer trades and has no obligations. Any future liabilities arising in the Company will be settled on behalf of the Company by group undertakings.

On the basis of their assessment of the Company's financial position, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

**EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions:

- The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17 (d).
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

**TURNOVER AND REVENUE RECOGNITION**

Turnover is the amount receivable in respect of management services and facilities supplied to other Group members, excluding Value Added Tax. Turnover within the commercial buying division represents the net invoiced value from the sale of goods and services supplied.

**DEPRECIATION**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation of each asset, less any estimated residual value evenly over its expected useful life. The expected useful lives of the principal categories are:

Fixtures, fittings and equipment	- 3 to 10 years
IT and other equipment	- 3 to 5 years

No depreciation is charged on assets in the course of construction ahead of their productive use.

**INVESTMENT PROPERTIES**

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in profit or loss. The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

**FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies in the Company are translated at the rate of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. As the provider of treasury management services to the Group, all exchange gains and losses are recognised in this Company's Statement of Comprehensive Income.

**EXCEPTIONAL ITEMS**

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the Company. Items that are material, either because of their size or their nature, or because they are non-recurring, are considered as exceptional items. The costs in connection with the disposal of fellow subsidiary undertaking Corney & Barrow Bars Limited and incurred by the Company on behalf of the Group during the year ended 30 April 2017, are considered to be exceptional items.

**TAXATION**

Taxation expense or credit for the year comprises current and deferred tax recognised in the reporting period.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end.

**TAXATION (continued)**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profit or loss and its results as stated in the Financial Statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the period end that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

**OPERATING LEASES**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

**EMPLOYEE BENEFITS**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Company pays contributions into the Group Personal Pension Scheme comprising individual money purchase pension arrangements. The funds of this defined contribution scheme are held separately from the Company and independently administered. The Company's liability is limited to the amount of contributions payable. The contributions are recognised as an employee expense when they are due.

**ASSET IMPAIRMENT**

Tangible fixed assets are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future cash flows from operating the assets. Impairment is recognised in profit or loss.

**FINANCIAL INSTRUMENTS**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

*Financial assets*

Basic financial assets, including cash at bank and in hand, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

**FINANCIAL INSTRUMENTS (continued)**

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

Other financial assets are initially measured at fair value, which is normally the transaction price.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*Financial liabilities*

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*Offsetting*

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

*Derivative financial instruments*

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.



**1. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical judgements or estimation uncertainties applicable to the year ended 30 April 2017.

**2. TURNOVER**

Turnover is attributable to the principal activity and is undertaken in the United Kingdom.

**3. OPERATING (LOSS)/PROFIT**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
This is stated after charging/ (crediting):		
Services provided by the Company's auditor		
- fees payable to the Company's auditor for the audit of the Company's annual financial statements	19	19
- tax and other services	12	8
Depreciation	31	79
Exchange gain	-	(140)
Gain on fair value movement of investment property (Note 8)	-	(2,650)
Exceptional item – costs in connection with the disposal of fellow subsidiary undertaking (see below)	536	-
	<u>          </u>	<u>          </u>

The Company met certain costs and obligations on behalf of the Group in connection with the disposal of Corney & Barrow Bars Limited on 6 July 2016.

**4. EMPLOYEES**

	<b>£'000</b>	<b>£'000</b>
<b>Staff Costs</b> (including Directors)		
Wages and salaries	1,052	1,886
Compensation for loss of office	91	-
Social security costs	116	201
Other pension costs	64	118
Share-based payment	-	16
	<u>          </u>	<u>          </u>
	1,323	2,221
	<u>          </u>	<u>          </u>

	<b>No.</b>	<b>No.</b>
<b>Average monthly number of employees during the year</b>		
Management and Support	58	49
	<u>      </u>	<u>      </u>

	<b>£'000</b>	<b>£'000</b>
<b>Directors' Emoluments and Fees</b>		
Aggregate emoluments and fees	459	434
Company pension contributions to money purchase schemes	43	29
	<u>          </u>	<u>          </u>
	502	463
	<u>          </u>	<u>          </u>

<b>4. EMPLOYEES (continued)</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Retirement benefits were accruing to two (2016 – two) Directors under money purchase pension plans.		
Highest paid Director - aggregate emoluments	208	189
Company pension contributions to money purchase schemes	18	18
	<hr/>	<hr/>
	226	207
	<hr/>	<hr/>
<b>5. INTEREST PAYABLE LESS RECEIVABLE</b>		
Interest on bank loan and overdraft	20	106
Other interest receivable	-	(69)
	<hr/>	<hr/>
	20	37
	<hr/>	<hr/>
<b>6. TAXATION</b>		
Current tax:		
UK corporation tax on (loss)/profit for the year	58	-
	<hr/>	<hr/>
Total current tax	58	
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(124)	511
	<hr/>	<hr/>
Total deferred tax (Note 15)	(124)	511
	<hr/>	<hr/>
Tax (credit)/charge on (loss)/profit on ordinary activities	(66)	511
	<hr/>	<hr/>

**6. TAXATION (continued)**

	2017 £'000	2016 £'000
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**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19.92% (2016 – 20%). The differences are explained below:

(Loss)/profit on ordinary activities before tax	(423)	3,243
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92% (2016 - 20%)	(84)	649

Effects of:

Group relief of losses	-	17
Expenses not deductible for tax purposes	-	3
Depreciation for year in excess of capital allowances	6	(14)
Other timing differences	(123)	(1)
Balancing charge on disposal of assets at net book value	135	-
Deferred tax on investment property gain at less than standard rate	-	(143)
	<hr/>	<hr/>

Current tax (credit)/charge for the year	(66)	511
	<hr/>	<hr/>

The standard rate of corporation tax changed from 20% to 19% on 1 April 2017.

**7. INTANGIBLE ASSETS**

	Software development and associated hardware £'000	Total £'000
<b>Cost</b>		
At 30 April 2016	2,929	2,929
Additions	404	404
Disposal – intra group	(3,333)	(3,333)
	<hr/>	<hr/>
At 30 April 2017	-	-
	<hr/>	<hr/>
<b>Amortisation</b>		
At 30 April 2016 and 2017	-	-
	<hr/>	<hr/>
<b>Net Book Value</b>		
At 30 April 2017	-	-
	<hr/>	<hr/>
At 30 April 2016	2,299	2,929
	<hr/>	<hr/>

Intangible asset additions during the year ended 30 April 2017 comprises £404,000 (2016 -£1,900,000) relating to the purchase, development, training and installation of bespoke ERP (Enterprise Resource Planning) software together with associated hardware. No amortisation has been charged on this asset in the course of construction ahead of its productive use and prior to its disposal at net book value to fellow subsidiary undertaking Corney and Barrow Limited.

## 8. PROPERTY, PLANT AND EQUIPMENT

Cost	Investment property £'000	Fixtures, fittings and equipment £'000	IT and other equipment £'000	Total £'000
At 30 April 2016	8,650	345	434	9,429
Additions	-	-	4	4
Disposal – intra group	(8,650)	(345)	(438)	(9,433)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2017	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 30 April 2016	-	276	375	651
Provided in the year	-	6	25	31
Disposal – intra group	-	(282)	(400)	(682)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2017	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 30 April 2017	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2016	8,650	69	59	8,778
	<hr/>	<hr/>	<hr/>	<hr/>

Investment property, which is freehold, was revalued to fair value at 30 April 2016 based on a valuation undertaken by GVA Grimley Limited, an independent valuer with sufficient experience in the location and class of the investment property being valued. The method of determining fair value was on a rental yield basis. There are no restrictions on the realisability of investment property

## 9. DEBTORS DUE AFTER MORE THAN ONE YEAR

	2017 £'000	2016 £'000
Amounts owed by group undertakings	-	4,295
	<hr/>	<hr/>
	-	4,295
	<hr/>	<hr/>

As at 30 April 2017, the intercompany loan due from Corney & Barrow Bars Limited, was £nil (2016 - £4,250,000). The Company was required to provide Corney & Barrow Bars Limited with at least 12 months' written notice in order to call in the loan, unless that company ceased to be a wholly owned subsidiary undertaking of Corney and Barrow Group Limited.

On 6 July 2016 Corney and Barrow Group sold its 100 per cent interest in Corney & Barrow Bars Limited. The intercompany loan due to the Company was fully repaid on that date.

10. <b>DEBTORS</b> due within one year	2017 £'000	2016 £'000
Amounts owed by group undertakings	6,847	558
Prepayments and accrued income	-	214
Corporation tax	-	1
	<u>6,847</u>	<u>773</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

11. **CREDITORS:** amounts falling due within one year

Bank loan (Note 14)	-	415
Bank overdraft	-	5,337
Other taxation and social security costs	-	1
Accruals and deferred income	-	285
	<u>-</u>	<u>6,038</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

12 **DERIVATIVE FINANCIAL INSTRUMENTS**

Forward foreign currency exchange contracts – asset	-	52
	<u>-</u>	<u>52</u>

Forward foreign currency contracts are valued using forward exchange rates matching the maturities of the contracts. Fair value gains on contracts measured at fair value through profit or loss during the year ended 30 April 2017 amounted to £109,000 (2016 – gain of £250,000).

13 **CREDITORS:** amounts falling due after more than one year

Bank loan instalments due after more than one year (Note 14)	-	2,698
	<u>-</u>	<u>2,698</u>

**14. BANK LOANS**

The Company had a bank loan with HSBC Bank plc for a capital amount of £2.184 million, repayable in quarterly instalments over a term of 17 years. Interest was charged at either a margin over the Bank's base rate as published periodically, or if the Company selected, at a margin over LIBOR, plus an additional element calculated using a formula set out in the loan agreement.

In addition, HSBC Bank plc provided a £4 million LIBOR Term Loan to the Company. The loan was being repaid by quarterly repayments of £200,000, exclusive of interest.

During the year ended 30 April 2016, the Company agreed a new facility with HSBC Bank Plc that resulted in the provision of a £3,320,000 LIBOR Term Loan for the purpose of refinancing the two existing term loans with a total outstanding value of £3,320,000. The Term Loan was for eight years from 20 August 2015, the date the Loan was first drawn down. Interest was charged at a margin over LIBOR and the loan repaid by quarterly repayments of £103,750.

All bank loans with HSBC Bank plc were fully discharged by the Company in accordance with the terms of the Intra Group Assets Sale and Purchase Agreement with Corney and Barrow Limited.

The bank loans were repayable as follows:

	<b>2016</b> <b>£'000</b>
In one year or less	415
Between one and two years	415
Between two and five years	1,245
After five years	1,037
	<hr/> 3,112 <hr/>

**15. DEFERRED TAXATION**

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Accelerated capital allowances	-	128
Other timing differences	-	(4)
Revaluation of investment property	-	739
	<hr/>	<hr/>
Deferred tax liability	-	863
	<hr/>	<hr/>
Liability at start of year	863	352
Deferred tax (credit)/charge in profit or loss for year	(124)	511
Transferred intra group on disposal of net assets	(739)	-
	<hr/>	<hr/>
Liability at end of year	-	863
	<hr/>	<hr/>

16. CALLED-UP SHARE CAPITAL	2017 £'000	2016 £'000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	2,240	2,240
	<hr/>	<hr/>
<b>Allotted, called up and not yet paid</b>		
Ordinary shares of £1 each	10	10
	<hr/>	<hr/>
<b>Total called-up share capital</b>	<b>2,250</b>	<b>2,250</b>
	<hr/>	<hr/>

### Share Options

Corney and Barrow Group Limited issued options over "A" shares in the year ended 30 April 2015 (for the purposes of this paragraph referred to as "the Scheme"). Under the Scheme the Parent Company Directors have the discretion to grant options to the Company's Directors and employees to subscribe for shares in the Parent Company. The option exercise price cannot be less than the agreed market price at the date of grant and the options cannot be exercised for a period of three years from the date of grant. In the event of any Director or employee to whom options have been granted ceasing to be an employee of the Group he or she will have a set period in which to exercise those options failing which the options will lapse. Details of the outstanding options are disclosed in the Financial Statements of the Parent Company.

The Company is charged a share based payment expense by the Parent Company based on the fair value of the share options granted to the Company's Directors and employees, which is recognised in the Statement of Comprehensive Income over the vesting period. An equivalent credit is recognised directly in equity as a capital contribution.

17. FINANCIAL INSTRUMENTS	2017 £'000	2016 £'000
The Company has the following financial instruments:		
Financial assets measured at amortised cost:		
Amounts owed by group undertakings	6,847	4,853
	<hr/>	<hr/>
	6,847	4,853
	<hr/>	<hr/>
Financial assets measured at fair value through profit or loss:		
Investment property	-	8,650
Derivative financial instruments	-	52
	<hr/>	<hr/>
	-	8,702
	<hr/>	<hr/>
Financial liabilities measured at amortised cost:		
Bank overdraft and loans	-	8,450
Accruals and deferred income	-	285
	<hr/>	<hr/>
	-	8,735
	<hr/>	<hr/>

**18. DIVIDENDS**

	2017 £'000	2016 £'000
Final paid	-	283

The aggregate amount of dividends proposed before the date of approval of these Financial Statements, which have not been shown in the Profit and Loss Account in accordance with the requirements of the Companies Act 2006, is £nil (2016 - £nil).

**19. FINANCIAL COMMITMENTS****Operating Leases**

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings	Land and buildings
Payments due (£'000s):		
Not later than one year	-	63
Later than one year and not later than five years	-	252
Later than five years	-	114
	<hr/>	<hr/>
	-	429
	<hr/>	<hr/>

**20. PENSION CONTRIBUTIONS**

The Company pays contributions into the Group Personal Pension Scheme comprising individual money purchase pension arrangements. The funds of this defined contribution scheme are held separately from the Company and independently administered. The cost of contributions to the defined contribution scheme amounts to £64,000 (2016 - £118,000).

**21. BANK GUARANTEE AND CHARGES**

HSBC Bank plc holds a fixed and floating charge over the assets of Corney and Barrow Group Limited, the ultimate parent company. Further security is provided by an unlimited multilateral cross guarantee given by Corney and Barrow Group Limited, Corney and Barrow Limited, Corney & Barrow Group Services Limited and Corney & Barrow Merchanting Holdings Limited to secure all liabilities of each other.

**22. RELATED PARTIES**

See Note 4 for disclosure of Directors' remuneration. There are no key management other than the Directors.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

**23. PARENT UNDERTAKING AND ULTIMATE PARENT UNDERTAKING**

The immediate Parent Company is Corney & Barrow Merchanting Holdings Limited. The ultimate Parent Company is Corney and Barrow Group Limited, a Company registered in England and Wales. Copies of that Company's Financial Statements are available from No 1 Thomas More Street, London, E1W 1YZ. There is no ultimate controlling party.