

Southwark Bridge Holdings Limited

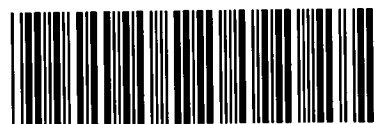
Report and Financial Statements

52 Week Period Ended

31 March 2017

Company Number 09769423

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Southwark Bridge Holdings Limited

Company Information

Directors	S M Linehan J Potter G M Reynolds
Company secretary	S M Linehan
Registered number	09769423
Registered office	Walworth Business Park Livingstone Road Andover Hampshire SP10 5NS
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Southwark Bridge Holdings Limited

Contents

	Page
Group Strategic Report	1 - 2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10 - 11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13 - 14
Notes to the Financial Statements	15 - 41

Southwark Bridge Holdings Limited

Group Strategic Report For the 52 Week Period Ended 31 March 2017

The directors present their strategic report together with the audited financial statements for the period ended 31 March 2017.

Principal activities

The group provides sales, marketing, warehousing, and distribution services for UK and overseas manufacturers of premium quality food, drink and confectionary, gift and non-food brands.

Working with these brand owners the group supplies a wide range of sectors including Multiple Retailers, Independent Sector, Travel Retail, Cash & Carry, Delivered Wholesale, Health and Food Service. These sectors are served throughout the UK and Republic of Ireland, as well as a developing Export business.

The group is the brand owner of Epicure, Creative Cooks and Deli-Italia. Other owned brands include Burnt Sugar, SaladMakers, Meal Makers, L'oro Verdi, and Edwardian Mint.

Results and Business Review

Our core business remains strong and this has been reflected in good sales growth for the period as we grow in existing markets and increase coverage in new markets. Profit for the period to 31 March 2017 has been impacted by a weakening currency position, but we have implemented plans to address this going forward. Maintaining and enhancing this core business remains central to our future development as it provides the bedrock on which our strategic growth plans can be delivered. This coupled with new brands we have secured plus our owned brand development means we remain really excited about the future.

Management of working capital is supported through an invoice discounting facility secured on the company's debtor book. During the year the group repaid the balance of the £600k term loan (£450k) and £1.35m of the loan notes. In October the group transitioned to a new bank and took out a new £1.6m term loan, repayable monthly in equal instalments over three years, reducing the overall costs of borrowing going forward. The only other financing is £250k of loan notes that the Directors have left in the business which they have agreed will remain in place until at least the end of 2019.

Financial key performance indicators

	2017 £'000	2016 £'000
Turnover	44,559	14,879
Trading margin*	9,373	3,188
Stock	4,998	4,674
Trade debtors	6,859	5,692
Trade creditors	6,293	6,634

*Trading margin is the gross margin after being adjusted for non trading income and expenditure, except for foreign exchange impacts.

Post balance sheet events

There are no post balance sheet events to report.

Southwark Bridge Holdings Limited

Group Strategic Report For the 52 Week Period Ended 31 March 2017

Future developments

2016 represented the 200th anniversary of Petty Wood, and 125th anniversary of our brand Epicure. Significant investment was made in enhancing our customer relationships, commercial resource and brand development on the back of these. We have continued this investment into 2017, with a planned new website launch in the summer focussed on making it even easier for customers to trade with us and giving us the platform to speed up the process of signing thousands of new customers. This will be backed up with targeted trade shows increasing the profile of our brands, business and the Pettywood.direct website. We have continued to develop innovative products targeted at securing listings with partner customers and this is now converting into real sales following product launch. This innovation and excitement continues to differentiate us in the market.

Principal risks and uncertainties

The group gives appropriate consideration to risk management and objectives and policies. Facilities are in place to deal with cash flow and liquidity risk. Risk to pricing is mitigated by a diverse supplier portfolio. Credit risk is managed through adoption of a rigorous credit policy

Liquidity Risk

The group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense whilst insuring that the group has sufficient liquid resources to meet the operating needs of its business.

Interest Rate Risk

The group is exposed to cash flow interest rate risk on floating rate deposits, bank overdrafts and invoice discounting arrangements but this is considered to be low risk.

Foreign Currency Risk

The group's principal foreign currency exposures arise from overseas purchases of goods. The group has not hedged against three transactions through use of forward exchange contracts as the volume of purchases and volatility in currency has not warranted this. However, the group keeps movements on exchanged rates under close review and will use hedges when deemed necessary.


Credit Risk

Investment of cash surpluses, and borrowings, are made through banks and companies which must fulfill credit rating criteria approved by the board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Debtor balances are monitored on an ongoing basis and provision is made for doubtful debts are necessary.

This report was approved by the board on 24 August 2017 and signed on its behalf.

J Potter
Director



Southwark Bridge Holdings Limited

Directors' Report For the 52 Week Period Ended 31 March 2017

The directors present their report and the financial statements for the 52 week period ended 31 March 2017.

Results and dividends

The profit for the 52 week period, after taxation, amounted to £221,568 (2016 - £529,454).

The directors do not recommend the payment of a dividend for 2017 (2016 - NIL).

Directors

The directors who served during the 52 week period were:

S M Linehan
J Potter
G M Reynolds

Disclosure of information to auditor

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

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 August 2017 and signed on its behalf.

J Potter
Director

A handwritten signature in black ink, appearing to be 'J Potter', written over a horizontal line.

Southwark Bridge Holdings Limited

Directors' Responsibilities Statement For the 52 Week Period Ended 31 March 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Southwark Bridge Holdings Limited

Independent Auditor's Report to the Members of Southwark Bridge Holdings Limited

We have audited the financial statements of Southwark Bridge Holdings Limited for the 52 week period ended 31 March 2017 which comprise the consolidated Statement of Comprehensive Income, the consolidated and company Balance Sheet, the consolidated and company Statement of Changes in Equity, the consolidated Statement of Cash Flows 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).

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 auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.or.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of the group's profit in the period 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 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Southwark Bridge Holdings Limited

Independent Auditor's Report to the Members of Southwark Bridge Holdings Limited

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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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.

BDO LLP

Stephen Le Bas (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Southampton
United Kingdom

25 August 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Southwark Bridge Holdings Limited

Consolidated Statement of Comprehensive Income For the 52 Week Period Ended 31 March 2017

	Note	52 Week Period Ended 31 March 2017 £	As restated 4.5 Month Period Ended 1 April 2016 £
Turnover	4	44,558,578	14,879,471
Cost of sales		(35,370,108)	(11,237,420)
Gross profit		9,188,470	3,642,051
Distribution costs		(5,652,847)	(1,777,367)
Administrative expenses		(3,088,117)	(1,155,581)
Operating profit	5	447,506	709,103
Interest receivable and similar income		586	2,381
Interest payable and expenses	9	(136,144)	(56,178)
Other finance costs	10	(5,000)	(1,000)
Profit before taxation		306,948	654,306
Tax on profit	11	(85,380)	(124,852)
Profit for the financial 52 week period		221,568	529,454
Actuarial losses on defined benefit pension scheme		(153,000)	(419,000)
Movement of deferred tax relating to pension surplus		25,650	81,240
Other comprehensive income for the 52 week period		(127,350)	(337,760)
Total comprehensive income for the 52 week period		94,218	191,694

The notes on pages 15 to 41 form part of these financial statements.

Southwark Bridge Holdings Limited

Registered number:09769423

Consolidated Balance Sheet As at 31 March 2017

	Note	31 March 2017 £	1 April 2016 £
Fixed assets			
Intangible assets	12	5,275,769	5,657,144
Tangible assets	13	121,957	132,410
		<u>5,397,726</u>	<u>5,789,554</u>
Current assets			
Stocks	15	4,998,082	4,674,154
Debtors: amounts falling due within one year	16	7,594,974	6,426,913
Cash at bank and in hand		58,512	279,951
		<u>12,651,568</u>	<u>11,381,018</u>
Creditors: amounts falling due within one year	17	(14,011,187)	(13,332,660)
Net current liabilities		<u>(1,359,619)</u>	<u>(1,951,642)</u>
Total assets less current liabilities		<u>4,038,107</u>	<u>3,837,912</u>
Creditors: amounts falling due after more than one year	18	(1,097,135)	(1,096,583)
Provisions for liabilities			
Deferred taxation	21	(333,501)	(386,076)
		<u>(333,501)</u>	<u>(386,076)</u>
Net assets excluding pension liability		<u>2,607,471</u>	<u>2,355,253</u>
Pension liability	22	(296,000)	(138,000)
Net assets		<u><u>2,311,471</u></u>	<u><u>2,217,253</u></u>
Capital and reserves			
Called up share capital	25	2,025,559	2,025,559
Profit and loss account	26	285,912	191,694
Equity attributable to owners of the parent Company		<u><u>2,311,471</u></u>	<u><u>2,217,253</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 August 2017.

J Potter
Director

The notes on pages 15 to 41 form part of these financial statements.

Southwark Bridge Holdings Limited

Registered number:09769423

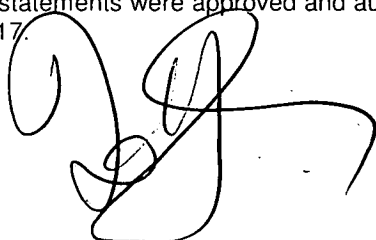
Company Balance Sheet As at 31 March 2017

	Note	31 March 2017 £	1 April 2016 £
Fixed assets			
Investments	14	10,739,569	10,739,569
		<u>10,739,569</u>	<u>10,739,569</u>
Current assets			
Debtors: amounts falling due within one year	16	-	72,000
Cash at bank and in hand		-	3
		<u>-</u>	<u>72,003</u>
Creditors: amounts falling due within one year	17	(7,701,516)	(7,709,848)
Net current liabilities		<u>(7,701,516)</u>	<u>(7,637,845)</u>
Total assets less current liabilities		<u>3,038,053</u>	<u>3,101,724</u>
Creditors: amounts falling due after more than one year	18	(1,097,135)	(1,096,583)
Net assets		<u><u>1,940,918</u></u>	<u><u>2,005,141</u></u>
Capital and reserves			
Called up share capital	25	2,025,559	2,025,559
Profit and loss account brought forward		(20,418)	-
Loss for the period		(64,223)	(20,418)
		<u>(84,641)</u>	<u>(20,418)</u>
Profit and loss account	26	(84,641)	(20,418)
		<u><u>1,940,918</u></u>	<u><u>2,005,141</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £64,223 (2015 - £20,418).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 August 2017.

J Potter
Director



Southwark Bridge Holdings Limited

Consolidated Statement of Changes in Equity For the 52 week Period Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 2 April 2016	2,025,559	191,694	2,217,253
Comprehensive income for the 52 Week Period			
Profit for the 52 Week Period	-	221,568	221,568
Actuarial losses on pension scheme (net of deferred tax)	-	(127,350)	(127,350)
Other comprehensive income for the 52 Week Period	-	(127,350)	(127,350)
Total comprehensive income for the 52 Week Period	-	94,218	94,218
At 31 March 2017	2,025,559	285,912	2,311,471

Southwark Bridge Holdings Limited

Consolidated Statement of Changes in Equity For the Period Ended 1 April 2016

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Profit for the period	-	529,454	529,454
Actuarial losses on pension scheme (net of deferred tax)	-	(337,760)	(337,760)
Other comprehensive income for the period	-	(337,760)	(337,760)
Total comprehensive income for the period	-	191,694	191,694
Shares issued during the period	2,025,559	-	2,025,559
Total transactions with owners	2,025,559	-	2,025,559
At 1 April 2016	2,025,559	191,694	2,217,253

The notes on pages 15 to 41 form part of these financial statements.

Southwark Bridge Holdings Limited

Company Statement of Changes in Equity For the 52 Week Period Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 2 April 2016	2,025,559	(20,418)	2,005,141
Comprehensive income for the period			
Loss for the 52 Week Period	-	(64,223)	(64,223)
Total comprehensive income for the 52 Week Period	<u>-</u>	<u>(64,223)</u>	<u>(64,223)</u>
At 31 March 2017	<u><u>2,025,559</u></u>	<u><u>(84,641)</u></u>	<u><u>1,940,918</u></u>

Company Statement of Changes in Equity For the Period Ended 1 April 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(20,418)	(20,418)
Total comprehensive income for the period	<u>-</u>	<u>(20,418)</u>	<u>(20,418)</u>
Shares issued during the period	2,025,559	-	2,025,559
Total transactions with owners	<u>2,025,559</u>	<u>-</u>	<u>2,025,559</u>
At 1 April 2016	<u><u>2,025,559</u></u>	<u><u>(20,418)</u></u>	<u><u>2,005,141</u></u>

The notes on pages 15 to 41 form part of these financial statements.

Southwark Bridge Holdings Limited

Consolidated Statement of Cash Flows For the 52 Week Period Ended 31 March 2017

	31 March 2017 £	1 April 2016 £
Cash flows from operating activities		
Profit for the financial period	221,568	529,454
Adjustments for:		
Amortisation of intangible assets	381,375	143,458
Depreciation of tangible assets	47,402	45,615
Interest paid	141,144	57,178
Interest received	(586)	(2,381)
Taxation charge	85,380	124,852
(Increase)/decrease in stocks	(323,928)	737,846
(Increase)/decrease in debtors	(1,074,360)	956,200
(Decrease) in creditors	(671,910)	(214,461)
Corporation tax (paid)	(206,006)	(163,864)
Net cash generated from operating activities	(1,399,921)	2,213,897
Cash flows from investing activities		
Purchase of tangible fixed assets	(24,337)	(78,061)
Sale of tangible fixed assets	(14,054)	-
Purchase of subsidiary undertakings	-	(7,117,427)
Cash acquired with subsidiary undertakings	-	1,621,000
Interest received	586	2,381
Net cash from investing activities	(37,805)	(5,572,107)
Cash flows from financing activities		
Issue of ordinary shares	-	100,000
New secured loans	1,600,000	600,000
Repayment of loans	(672,209)	(150,000)
Repayment of other notes	(1,243,906)	(200,000)
Interest paid	(136,144)	(56,178)
Net cash used in financing activities	(452,259)	293,822
Net (decrease) in cash and cash equivalents	(1,889,985)	(3,064,388)

Southwark Bridge Holdings Limited

Consolidated Statement of Cash Flows (continued) For the 52 Week Period Ended 31 March 2017

	31 March 2017 £	1 April 2016 £
Cash and cash equivalents at beginning of 52 week period	(3,064,388)	-
Cash and cash equivalents at the end of 52 week period	(4,954,373)	(3,064,388)
Cash and cash equivalents at the end of 52 week period comprise:		
Cash at bank and in hand	58,512	279,951
Invoice discounting facility and bank overdrafts	(5,012,885)	(3,344,339)
	(4,954,373)	(3,064,388)

The notes on pages 15 to 41 form part of these financial statements.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

1. General information

Southwark Bridge Holdings Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office can be found on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 09 September 2015.

2.3 Revenue

Turnover represents the value, net of the value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers. Turnover and profit before tax are attributable to one continuing activity being= the sales, marketing and distribution of premium quality food, drink and non-food products.

2.4 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the excess of the the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and separately identified intangible assets valued at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight line method to its estimated useful life which the directors have assessed to be 20 years.

Intangible assets and trademarks

An intangible asset acquired in a business combination is recognised as an asset because its fair value can be measured with sufficient reliability. An intangible asset acquired in a business combination is not recognised when it arises from legal or other contractual rights and there is no history of evidence of exchange transactions for the same or similar assets, and otherwise estimating fair value could be dependent on immeasurable variables.

Intangible assets relate to customer relationships, the brand and trademarks.

Trademarks are included at cost and are amortised over the life of the trademark licence.

The customer relationships and the brand are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated by applying the straight line method to its estimated useful life which the directors have assessed to be 10 years for customer relationships and 20 years for the brand (see note 12).

2.6 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Fixtures and fittings	-	15% - 20%
Computer equipment	-	33%

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

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

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks, being finished goods for resale, are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a finance expense'.

From April 2013, the pension scheme was closed to future accrual.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

2.15 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.17 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

2. Accounting policies (continued)

2.18 Prior year reclassification

Certain disclosures in the Consolidated Statement of Comprehensive Income have been re-analysed. Cost of sales and distribution costs have been restated in the prior year. This has decreased cost of sales by £1,683,032, and increased distribution costs by £1,683,032. There has been no effect on profit for the year. This relates to the re-analysis of costs in the business in line with the current year disclosure.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group and company tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the acquired intangible assets are identifiable in terms of being separable and arise from contractual or legal rights. This should be determined on a basis that reflects an amount that the group would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognised as a separate intangible asset, but is included in goodwill.
- Determine whether the defined benefit schemes best estimates including key financial and demographic assumptions are based on advice from actuaries.

Key assumptions include:

Operating cash flows

The main assumptions, which are derived from past experience and external information, within the forecast operating cash flows include the achievements of future sale prices and volumes, material input costs, changes in sales mix and the level of ongoing capital expenditure.

Discount rates

The discount rate is a pre-tax adjusted discount rate and reflects management's estimate of the company's weighted average cost of capital.

Long term growth rates

The management forecasts are extrapolated using growth assumptions relevant for the business sector and based on industry research.

Estimated pension liabilities:

The group operates a defined benefit pension scheme, in accordance with the accounting policy as stated above. The future pension liabilities that will arise and the expected return a scheme assets are based upon various assumptions such as mortality rates, investment returns and future inflation. The calculations require the use of estimates (see note 22).

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

4. Turnover

Analysis of turnover by country of destination:

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
United Kingdom	42,335,185	13,065,631
Rest of Europe	1,288,957	1,240,107
Rest of the world	934,436	573,733
	<u>44,558,578</u>	<u>14,879,471</u>

5. Operating profit

The operating profit is stated after charging:

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Depreciation of tangible fixed assets	47,783	45,615
Amortisation of intangible assets, including goodwill	381,375	143,458
Other operating lease rentals	719,387	241,006
Hire of plant and machinery	38,815	16,485
Stock recognised as an expense	<u>37,813,683</u>	<u>12,554,776</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

6. Auditor's remuneration

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	21,450	24,700
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	7,375	10,500
Other non audit services	6,650	19,775
	14,025	30,275

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

7. Employees

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

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Wages and salaries	3,756,334	1,342,118
Social security costs	378,499	151,404
Cost of defined contribution scheme	130,105	55,409
	<u>4,264,938</u>	<u>1,548,931</u>

The average monthly number of employees, including the directors, during the 52 week period was as follows:

	52 Week Period Ended 31 March 2017 No.	4.5 Month Period Ended 1 April 2016 No.
Management	3	3
Administration	43	46
Sales and distribution	63	58
	<u>109</u>	<u>107</u>

There were no staff costs or employees in the parent company in the current period or prior period.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

8. Directors' remuneration

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Directors' emoluments	404,497	138,953
Company contributions to defined contribution pension schemes	26,869	9,696
	<u>431,366</u>	<u>148,649</u>

During the 52 Week Period retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £198,081 (2016 - £67,430).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,869 (2016 - £4,732).

9. Interest payable and similar charges

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Bank interest payable	62,979	22,921
Loan note interest payable	73,165	33,257
	<u>136,144</u>	<u>56,178</u>

10. Other finance costs

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Net interest on net defined benefit liability	(5,000)	(1,000)
	<u>(5,000)</u>	<u>(1,000)</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

11. Taxation

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Corporation tax		
Current tax on profits for the period	137,955	126,923
Total current tax	<u>137,955</u>	<u>126,923</u>
Deferred tax		
Origination and reversal of timing differences	(48,784)	(2,071)
Changes to tax rates	(3,791)	-
Total deferred tax	<u>(52,575)</u>	<u>(2,071)</u>
Taxation on profit on ordinary activities	<u>85,380</u>	<u>124,852</u>

Factors affecting tax charge for the 52 week period/53 week period

The tax assessed for the period is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20.25%). The differences are explained below:

	52 Week Period Ended 31 March 2017 £	4.5 Month Period Ended 1 April 2016 £
Profit on ordinary activities before tax	<u>306,948</u>	<u>654,306</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20.25%)	61,390	132,497
Effects of:		
Expenses not deductible for tax purposes	17,627	(9,310)
Effect of variable tax rates on deferred tax	6,363	1,665
Total tax charge for the period	<u>85,380</u>	<u>124,852</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

11. Taxation (continued)

Factors that may affect future tax charges

The Government has announced that from 1 April 2020 the Corporation Tax main rate will be further reduced to 17%. Accordingly, the deferred tax balances recognised in the accounts as at the period end have been calculated using the 17% rate.

12. Intangible assets

Group and Company

	Brand £	Customer Relationships £	Trademarks £	Goodwill £	Total £
Cost					
At 2 April 2016	411,000	1,769,000	11,982	3,608,620	5,800,602
At 31 March 2017	411,000	1,769,000	11,982	3,608,620	5,800,602
Amortisation					
At 2 April 2016	7,706	66,337	1,753	67,662	143,458
Charge for the year	20,550	176,900	3,494	180,431	381,375
At 31 March 2017	28,256	243,237	5,247	248,093	524,833
Net book value					
At 31 March 2017	382,744	1,525,763	6,735	3,360,527	5,275,769
At 1 April 2016	403,294	1,702,663	10,229	3,540,958	5,657,144

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

12. Intangible assets (continued)

Acquisition-related intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects an amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the assets are not recognised as a separate intangible asset, but are included in goodwill.

Amortisation of acquisition-related intangible assets is charged to total operating expenses on a straight line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Estimated useful lives on acquisition-related intangible assets:

	Term
Goodwill	Life of 20 years
Trademarks	Life of Trademark Licence
Brand	Estimated life of 20 years
Customer Relationships	Estimated life of 10 years

Impairments if any can be a result of either the evidence that the assumptions for determining the estimating useful lives are incorrect or the annual impairment test of the cash-generating unit to which the acquisition-related intangible assets are related.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

13. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 2 April 2016	59,607	16,363	102,055	178,025
Additions	7,210	13,548	13,079	33,837
Reclassification	22,724	(18,622)	10,142	14,244
At 31 March 2017	89,541	11,289	125,276	226,106
Depreciation				
At 2 April 2016	12,674	4,080	28,861	45,615
Charge for the period on owned assets	16,242	2,303	29,238	47,783
Reclassification	3,435	(2,900)	10,216	10,751
At 31 March 2017	32,351	3,483	68,315	104,149
Net book value				
At 31 March 2017	57,190	7,806	56,961	121,957
At 1 April 2016	46,933	12,283	73,194	132,410

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

14. Fixed asset investments

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
The Skinny Foods Company Ltd	Ordinary	51 %	Dormant
PW Creative Limited	Ordinary	100 %	Dormant
Petty, Wood & Co Limited	Ordinary	100 %	Sales, marketing, warehousing and distribution of premium quality food
Food Sales Limited	Ordinary	100 %	Food sales and commission agents

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Universe Food Service Limited	Ordinary	100 %	Dormant
The Piccadilly Tea and Produce Company Limited	Ordinary	100 %	Dormant
The London Biscuit Company Limited	Ordinary	100 %	Dormant
The London Town Chocolate Company Limited	Ordinary	100 %	Dormant
The London Town Food Group Limited	Ordinary	100 %	Dormant
Brands of Distinction Limited	Ordinary	100 %	Dormant
Burnt Sugar Limited	Ordinary	100 %	Dormant
Epicure Limited	Ordinary	100 %	Dormant

The registered office of Food Sales Limited is Buchan House, Carnegie Campus, Enterprise Way, Dunfermline, Fife, KY11 8PL. The registered office of all other subsidiary undertakings is Walworth Business Park, Livingstone Road, Andover, Hampshire, SP10 5NS.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 2 April 2016	10,739,569
At 31 March 2017	10,739,569
Net book value	
At 31 March 2017	10,739,569
At 1 April 2016	10,739,569

15. Stocks

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Finished goods and goods for resale	4,998,082	4,674,154	-	-
	<u>4,998,082</u>	<u>4,674,154</u>	<u>-</u>	<u>-</u>

There is no material difference between the replacement cost of stock and the amounts stated above.

The group had consignment stock of £Nil (2016 - 139,786) where the benefits and risks associated with the stock remain with the manufacturer until the transfer of title and consequently this stock has not been recognised as an asset of the group.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

16. Debtors

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Trade debtors	6,858,967	5,691,889	-	72,000
Other debtors	61,937	91,191	-	-
Prepayments and accrued income	541,023	604,487	-	-
Tax recoverable	82,557	14,506	-	-
Deferred tax asset	50,490	24,840	-	-
	<u>7,594,974</u>	<u>6,426,913</u>	<u>-</u>	<u>72,000</u>

The Group deferred tax asset relates to the defined benefit pension scheme (see note 22).

The impairment loss recognised in the statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £36,407 (1 April 2016 - £7,922).

17. Creditors: Amounts falling due within one year

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Invoice discounting facility and bank overdrafts	5,012,885	3,344,339	-	-
Bank loans	533,333	450,000	533,333	-
Loan notes	-	400,000	-	400,000
Trade creditors	6,292,887	6,633,784	-	-
Amounts owed to group undertakings	-	-	7,161,567	7,247,848
Other taxation and social security	138,863	119,536	-	12,000
Other creditors	1,121,638	1,216,542	6,616	-
Accruals and deferred income	911,581	1,168,459	-	50,000
	<u>14,011,187</u>	<u>13,332,660</u>	<u>7,701,516</u>	<u>7,709,848</u>

The balance disclosed within 'Bank loans' is secured by a debenture over all the assets of the group and a composite guarantee given by each Group company.

The balance disclosed within the 'Invoice discounting facility' is secured by a fixed and floating charge over all the assets of the company.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

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

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Bank loans	844,458	-	844,458	-
Loan notes	252,677	1,096,583	252,677	1,096,583
	<u>1,097,135</u>	<u>1,096,583</u>	<u>1,097,135</u>	<u>1,096,583</u>

The balance disclosed within 'Bank loans' is secured by a debenture and a composite guarantee given by each Group company.

19. Loans

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Amounts falling due within one year				
Bank loans	533,333	450,000	533,333	-
Loan notes	-	400,000	-	400,000
	<u>533,333</u>	<u>850,000</u>	<u>533,333</u>	<u>400,000</u>
Amounts falling due 1-2 years				
Bank loans	533,333	-	533,333	-
Loan notes	-	600,000	-	600,000
	<u>533,333</u>	<u>600,000</u>	<u>533,333</u>	<u>600,000</u>
Amounts falling due 2-5 years				
Bank loans	311,125	-	311,125	-
Loan notes	252,677	496,583	252,677	496,583
	<u>563,802</u>	<u>496,583</u>	<u>563,802</u>	<u>496,583</u>
	<u>1,630,468</u>	<u>1,946,583</u>	<u>1,630,468</u>	<u>1,496,583</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

20. Financial instruments

	Group 31 March 2017 £	Group 1 April 2016 £	Company 31 March 2017 £	Company 1 April 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	6,979,416	6,063,031	-	72,000
	<u>6,979,416</u>	<u>6,063,031</u>	<u>-</u>	<u>72,000</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(14,969,459)	(14,309,707)	(8,798,651)	(8,794,431)
	<u>(14,969,459)</u>	<u>(14,309,707)</u>	<u>(8,798,651)</u>	<u>(8,794,431)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank in hand, trade debtors, other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise loan notes, bank loans, trade creditors, other creditors, accruals and amounts owed to group undertakings.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

21. Deferred taxation

Group

	2017 £	2016 £
At beginning of period	(386,076)	-
Charged to profit or loss	52,575	2,071
On acquisition	-	(388,147)
At end of period	(333,501)	(386,076)

	Group 31 March 2017 £	Group 1 April 2016 £
Business combinations	(324,446)	(379,072)
Accelerated capital allowances	(10,696)	(10,279)
Other timing differences	1,641	3,275
	(333,501)	(386,076)

There is no deferred tax liability in the parent company.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

22. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £130,105 (2016 - £55,409). At the period end there were outstanding contributions of £44,483 (2016 - £18,197).

The Group operates a Defined Benefit Pension Scheme. From April 2013, the pension scheme was closed to future accrual.

A subsidiary company, Petty, Wood & Co. Limited, operates a defined benefit pension scheme. The assets of the scheme are held in separate trustee administered funds. Contributions to the scheme are charged to the Income Statement so as to spread the costs of the pensions over employee's working lives with that subsidiary.

A full actuarial valuation of the defined benefit scheme was carried out at 1 June 2014 and updated at 1 April 2016 and 31 March 2017 by a qualified independent actuary on an FRS 102 section 28 basis.

There were no changes to the scheme during the period.

	31 March 2017 £	1 April 2016 £
Reconciliation of present value of plan liabilities		
At the beginning of the period	(13,793,000)	(14,160,000)
Interest cost	(459,000)	(461,000)
Actuarial gains/losses	(1,977,000)	477,000
Benefits paid	561,000	351,000
Annuity policy	(510,000)	-
At the end of the period	(16,178,000)	(13,793,000)

Composition of plan liabilities:

	31 March 2017 £	1 April 2016 £
Schemes wholly or partly funded	(16,178,000)	(13,793,000)
	(16,178,000)	(13,793,000)

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

22. Pension commitments (continued)

Reconciliation of present value of plan assets:

	31 March 2017 £	1 April 2016 £
At the beginning of the period	13,655,000	14,032,000
Interest income on plan assets	455,000	457,000
Remeasurement - return on plan assets excluding interest income	1,823,000	(483,000)
Benefits paid	(561,000)	(351,000)
Annuity policy	510,000	-
At the end of the period	15,882,000	13,655,000

Composition of plan assets:

	31 March 2017 £	1 April 2016 £
Annuity policies	510,000	-
European equities	11,409,000	9,190,000
European bonds	2,692,000	2,778,000
Cash	1,271,000	1,687,000
Total plan assets	15,882,000	13,655,000

	31 March 2017 £	1 April 2016 £
Fair value of plan assets	15,882,000	13,655,000
Present value of plan liabilities	(16,178,000)	(13,793,000)
Net pension scheme liability	(296,000)	(138,000)

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

22. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	31 March 2017 £	1 April 2016 £
Net interest expense on net defined benefit liability	(5,000)	(1,000)
Total	(5,000)	(1,000)

The amounts recognised in other comprehensive income:

	31 March 2017 £	1 April 2016 £
Actual return less interest income included in net interest income	1,823,000	292,000
Actuarial gains and (losses)	351,000	100,000
Losses on curtailments	(2,327,000)	(811,000)
	(153,000)	(419,000)

The cumulative amount of actuarial (gains) and losses recognised in the Consolidated Statement of Comprehensive Income was £578,000 (2016 - £420,000).

The Group expects to contribute £NIL to its Defined Benefit Pension Scheme in 2018.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

22. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2017 %	2016 %
Discount rate	2.60	3.40
RPI inflation rate	3.40	3.00
CPI inflation rate	2.40	2.00
Increases to pensions in deferment	2.40	2.00
Future pension increases	3.20	2.90
Post-retirement mortality:		
- base table	S2PA	S2PA
- mortality projections	CMI 2016	CMI 2015
- long term rate of improvement	1.25	1.00
Commutation	5.00	5.00
Life expectancies from age 65:		
- male currently aged 65	87	87
- female currently aged 65	89	89
- male currently aged 45	89	88
- female currently aged 45	90	90

No employees of the parent company were members of the defined benefit scheme.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

23. Commitments under operating leases

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

	Group 31 March 2017 £	Group 1 April 2016 £
Not later than 1 year	694,824	638,133
Later than 1 year and not later than 5 years	1,131,664	1,479,902
	<u>1,826,488</u>	<u>2,118,035</u>

There is a guarantee of £100,000 (2016: £100,000) to HM Revenue & Customs arising in the ordinary course of business.

24. Contingent liabilities

There is a multilateral guarantee dated 14 October 2016 given by the company and certain other companies in respect of the group bank overdraft and loan facilities. At 31 March 2017, the group loans and overdraft totalled £1,377,791.

25. Share capital

	31 March 2017 £	1 April 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100,000 Ordinary A shares of £1 each	100,000	100,000
1,925,559 Ordinary B shares of £1 each	1,925,559	1,925,559
	<u>2,025,559</u>	<u>2,025,559</u>

Both classes of shares rank pari passu except for the 'B' ordinary shares have no voting rights and are not entitled to receive dividends.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 31 March 2017

26. Reserves

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the period.

27. Transactions with directors

At year end loan notes totalling £252,677 (2016: £292,677) were owed to the directors. During the year interest totalling £22,747 (2016: £10,087) was charged. Interest is charged at 10% per annum.

28. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with its wholly owned subsidiaries.

29. Controlling party

The company is controlled by the Directors by virtue of their respective shareholdings in the company.