

# **Southwark Bridge Holdings Limited**

Annual Report and Financial Statements

52 Week Period Ended

29 March 2019

Company Number 09769423



# Southwark Bridge Holdings Limited

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## Company Information

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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

## Group Strategic Report For the 52 Week Period Ended 29 March 2019

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The directors present their strategic report together with the audited financial statements for the 52 week period ended 29 March 2019.

### 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.

In addition, the group owns and is a licensee of a number of brands, the largest of which is Epicure, which it has owned for over 125 years. A significant amount of investment and energy is being put into growing the share of these brands within the portfolio in order to ensure the business enhances control of its portfolio in the future.

### Results and Business Review

Our core business remains strong and this has been reflected through small sales growth in the year. Regrettably, the budgeted loss of a significant £3.5m brand at the beginning of the year could have put the brakes on our recent year on year growth performance. However, I am pleased to report that our ability to attract new brands and driving strong performance through existing brands has meant that we delivered an improvement in sales and EBIT for the year, beating both budgeted sales and actual YoY.

I am particularly pleased to report that operating profit for the period to 29 March 2019 grew by almost 20%. However, challenges remain in maintaining and enhancing margins for future years with this year's profitability being bolstered with compensation. There were no material bad debts during the year and we are confident we have all the processes and practices in place to minimise any business risk. 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 very bullish about the future and our ability to deliver sustainable growth for the long term.

Management of working capital is supported through an invoice discounting facility secured on the company's debtor book and both this and our term loan have reduced by almost £200k compared to the same time last year. Over £500k of the bank loans were repaid during the year, and these loans will be fully repaid by October 2019. 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. We proactively decided to increase our stockholding on some core brands in response to the uncertainty surrounding Brexit. In most cases we have either negotiated full or partial funding with brand principals but in the case of our own brands we have the full exposure. With the initial March date not materialising we are trading our way through that stock and the position is being regularly monitored.

The company operates a closed defined benefit pension scheme. This was in surplus when the triennial valuation was carried out in June 2017, however because of the requirement of FRS102 to value it at a moment in time a deficit of just under £1m has had to be posted. This reduced by over £1/2m on prior year. Profit for the financial 52 week period increased reserves by over £440k.

# Southwark Bridge Holdings Limited

## Group Strategic Report (continued) For the 52 Week Period Ended 29 March 2019

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### Financial key performance indicators

	2019 £'000	2018 £'000
Turnover	49,577	44,199
Trading margin*	10,794	10,444
Stock	6,306	5,047
Trade debtors	7,159	6,827
Trade creditors	7,877	6,501

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

The directors also monitor non-financial key performance indicators which include employee turnover and absences.

### Post balance sheet events

There are no reportable post balance sheet events.

### Future developments

Significant investment continues to be made in enhancing our customer relationships, commercial resource and brand development. We have refreshed and refined our website to make 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. We continue to invest in targeted trade shows increasing the profile of our brands, business and the Pettywood.direct website. Our biggest investment remains developing innovative products targeted at securing listings with partner customers. This innovation and excitement continues to differentiate us in the market.

# Southwark Bridge Holdings Limited

Group Strategic Report (continued)  
For the 52 Week Period Ended 29 March 2019

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## 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 these 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 fulfil 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 1 . 8 . 2019 and signed on its behalf.

J Potter  
Director



# Southwark Bridge Holdings Limited

## Directors' Report For the 52 Week Period Ended 29 March 2019

The directors present their report and the financial statements for the 52 Week Period ended 29 March 2019.

### Results and dividends

The profit for the 52 Week Period, after taxation, amounted to £440,995 (2018 - £382,645).

The directors do not recommend the payment of a dividend for 2019 (2018 - NIL).

### Directors

The directors who served during the 52 week period were:

S M Linehan  
J Potter  
G M Reynolds

### Matters covered in the strategic report

Principal risks and uncertainties and key performance indicators are not shown in the directors report as this information is included in the Strategic Report under S414C(11) of the Companies Act 2006.

### 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 1.8.2019 and signed on its behalf.

J Potter  
Director



# Southwark Bridge Holdings Limited

## Directors' Responsibilities Statement For the 52 Week Period Ended 29 March 2019

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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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

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### Opinion

We have audited the financial statements of Southwark Bridge Holdings Limited ("the Parent Company") and its subsidiaries ("the group") for the 52 week period ended 29 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 29 March 2019 and of the Group's profit for 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.

### Basis for opinion

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

### Conclusions relating to going concern

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

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



# Southwark Bridge Holdings Limited

## Independent Auditor's Report to the Members of Southwark Bridge Holdings Limited (continued)

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

# Southwark Bridge Holdings Limited

## Independent Auditor's Report to the Members of Southwark Bridge Holdings Limited (continued)

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### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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.

**BDO LLP**

**Steve Le Bas** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Southampton  
United Kingdom

**8/8/2019**

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 29 March 2019

	Note	2019 £	2018 £
Turnover	4	49,577,196	49,199,339
Cost of sales		(39,045,182)	(39,049,264)
<b>Gross profit</b>		<b>10,532,014</b>	<b>10,150,075</b>
Distribution costs		(6,109,839)	(5,840,039)
Administrative expenses		(3,680,127)	(3,658,337)
<b>Operating profit</b>	5	<b>742,048</b>	<b>651,699</b>
Interest receivable and similar income		963	28
Interest payable and expenses	9	(111,790)	(128,064)
Other finance costs	10	(37,000)	(8,000)
<b>Profit before taxation</b>		<b>594,221</b>	<b>515,663</b>
Tax on profit	11	(153,226)	(133,018)
<b>Profit for the financial period</b>		<b>440,995</b>	<b>382,645</b>
Actuarial gains/(losses) on defined benefit pension scheme	22	558,000	(1,181,000)
Movement of deferred tax relating to pension deficit		(94,860)	202,000
<b>Other comprehensive income for the period</b>		<b>463,140</b>	<b>(979,000)</b>
<b>Total comprehensive income for the period</b>		<b>904,135</b>	<b>(596,355)</b>

The notes on pages 17 to 42 form part of these financial statements.

# Southwark Bridge Holdings Limited

Registered number: 09769423

## Consolidated Balance Sheet As at 29 March 2019

	Note	29 March 2019 £	30 March 2018 £
<b>Fixed assets</b>			
Intangible assets	12	4,545,203	4,896,310
Tangible assets	13	194,412	115,055
		<u>4,739,615</u>	<u>5,011,365</u>
<b>Current assets</b>			
Stocks	15	6,306,486	5,047,310
Debtors: amounts falling due within one year	16	8,138,775	7,681,073
Cash at bank and in hand		131,929	155,206
		<u>14,577,190</u>	<u>12,883,589</u>
Creditors: amounts falling due within one year	17	(15,466,177)	(13,819,838)
<b>Net current liabilities</b>		<u>(888,987)</u>	<u>(936,249)</u>
<b>Total assets less current liabilities</b>		<u>3,850,628</u>	<u>4,075,116</u>
Creditors: amounts falling due after more than one year	18	-	(570,684)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(267,377)	(304,316)
		<u>(267,377)</u>	<u>(304,316)</u>
<b>Net assets excluding pension liability</b>		<u>3,583,251</u>	<u>3,200,116</u>
Pension liability	22	(964,000)	(1,485,000)
<b>Net assets</b>		<u><u>2,619,251</u></u>	<u><u>1,715,116</u></u>

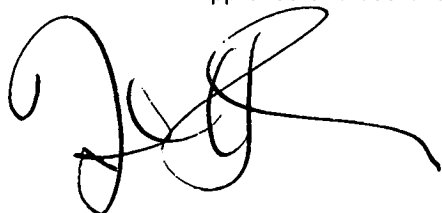
# Southwark Bridge Holdings Limited

Registered number: 09769423

## Consolidated Balance Sheet (continued) As at 29 March 2019

	Note	29 March 2019 £	30 March 2018 £
<b>Capital and reserves</b>			
Called up share capital	25	2,025,559	2,025,559
Profit and loss account	26	593,692	(310,443)
<b>Equity attributable to owners of the parent Company</b>		<u>2,619,251</u>	<u>1,715,116</u>

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



01.08.2019

**J Potter**  
Director

The notes on pages 17 to 42 form part of these financial statements.

# Southwark Bridge Holdings Limited

Registered number: 09769423

## Company Balance Sheet As at 29 March 2019

	Note	29 March 2019 £	30 March 2018 £
<b>Fixed assets</b>			
Investments	14	10,739,570	10,739,569
		<u>10,739,570</u>	<u>10,739,569</u>
Creditors: amounts falling due within one year	17	(8,885,424)	(8,271,602)
<b>Net current liabilities</b>		<u>(8,885,424)</u>	<u>(8,271,602)</u>
<b>Total assets less current liabilities</b>		<u>1,854,146</u>	<u>2,467,967</u>
Creditors: amounts falling due after more than one year	18	-	(570,684)
<b>Net assets</b>		<u><u>1,854,146</u></u>	<u><u>1,897,283</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	2,025,559	2,025,559
Profit and loss account brought forward		(128,276)	(84,641)
Loss for the period		(43,137)	(43,635)
Profit and loss account carried forward		<u>(171,413)</u>	<u>(128,276)</u>
		<u><u>1,854,146</u></u>	<u><u>1,897,283</u></u>

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

**J Potter**  
Director

The notes on pages 17 to 42 form part of these financial statements.

01.08.2019

# Southwark Bridge Holdings Limited

## Consolidated Statement of Changes in Equity For the Period Ended 29 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	<b>2,025,559</b>	<b>285,912</b>	<b>2,311,471</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	382,645	382,645
Actuarial losses on pension scheme (net of deferred tax)	-	(979,000)	(979,000)
<b>Other comprehensive income for the period</b>	-	(979,000)	(979,000)
<b>Total comprehensive income for the period</b>	-	(596,355)	(596,355)
<b>At 30 March 2018</b>	<b>2,025,559</b>	<b>(310,443)</b>	<b>1,715,116</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	440,995	440,995
Actuarial gains on pension scheme (net of deferred tax)	-	463,140	463,140
<b>Other comprehensive income for the period</b>	-	463,140	463,140
<b>Total comprehensive income for the period</b>	-	904,135	904,135
<b>At 30 March 2019</b>	<b>2,025,559</b>	<b>593,692</b>	<b>2,619,251</b>

The notes on pages 17 to 42 form part of these financial statements.

# Southwark Bridge Holdings Limited

## Company Statement of Changes in Equity For the Period Ended 29 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	<b>2,025,559</b>	<b>(84,641)</b>	<b>1,940,918</b>
<b>Comprehensive income for the period</b>			
Loss for the period	-	(43,635)	(43,635)
	-	(43,635)	(43,635)
<b>Total comprehensive income for the period</b>			
	-	(43,635)	(43,635)
<b>At 31 March 2018</b>	<b>2,025,559</b>	<b>(128,276)</b>	<b>1,897,283</b>
<b>Comprehensive income for the period</b>			
Loss for the period	-	(43,137)	(43,137)
	-	(43,137)	(43,137)
<b>Total comprehensive income for the period</b>			
	-	(43,137)	(43,137)
<b>At 29 March 2019</b>	<b>2,025,559</b>	<b>(171,413)</b>	<b>1,854,146</b>

The notes on pages 17 to 42 form part of these financial statements.



# Southwark Bridge Holdings Limited

## Consolidated Statement of Cash Flows For the 52 Week Period Ended 29 March 2019

	29 March 2019 £	As restated 30 March 2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial period	440,995	382,645
<b>Adjustments for:</b>		
Amortisation of intangible assets	379,459	379,459
Depreciation of tangible assets	35,640	47,600
Loss on disposal of tangible assets	-	16,409
Net interest paid	147,827	136,036
Taxation charge	153,226	133,018
(Increase) in stocks	(1,259,176)	(49,228)
(Increase)/decrease in debtors	(503,187)	33,344
Increase in creditors	1,697,298	471,140
Corporation tax (paid)/received	(85,072)	971
<b>Net cash generated from operating activities</b>	<b>1,007,010</b>	<b>1,551,394</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(114,997)	(57,107)
Purchase of trade and assets	(71,436)	-
Interest received	963	28
<b>Net cash from investing activities</b>	<b>(185,470)</b>	<b>(57,079)</b>

## Southwark Bridge Holdings Limited

### Consolidated Statement of Cash Flows (continued) For the 52 Week Period Ended 29 March 2019

	29 March 2019 £	As restated 30 March 2018 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(533,334)	(533,333)
Interest paid	(118,690)	(121,165)
Movement in invoice discounting facility	(192,793)	(743,123)
<b>Net cash used in financing activities</b>	<u>(844,817)</u>	<u>(1,397,621)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(23,277)</u>	<u>96,694</u>
Cash and cash equivalents at beginning of period	155,206	58,512
<b>Cash and cash equivalents at the end of period</b>	<u><u>131,929</u></u>	<u><u>155,206</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	131,929	155,206
	<u><u>131,929</u></u>	<u><u>155,206</u></u>

The notes on pages 17 to 42 form part of these financial statements.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

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### 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 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 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.

#### 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.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

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### 2. Accounting policies (continued)

#### 2.4 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).

#### 2.5 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 29 March 2019

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### 2. Accounting policies (continued)

#### 2.5 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.

#### 2.6 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).

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.8 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 29 March 2019

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### 2. Accounting policies (continued)

#### 2.9 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.

#### 2.10 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.

#### 2.11 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 29 March 2019

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### 2. Accounting policies (continued)

#### 2.12 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 29 March 2019

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### 2. Accounting policies (continued)

#### 2.13 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.

#### 2.14 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

#### 2.15 Prior year reclassification

Certain disclosures within the cashflow statement have been reanalysed. Invoice discounting which was previously disclosed as cash and cash equivalents have been reanalysed as financing activities. As a result financing activities have increased by £743,123 and net increase in cash has reduced by £743,123. Cash and cash equivalents in the prior year have increased by £4,269,762.

There has been no effect on profit or net assets for the prior year.



# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

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### 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 (see note 22)

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 on 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).

#### Bad debt provision (see note 16)

Provision for bad debts is made in respect of debtor accounts in dispute or where doubt exists regarding a customer's ability to pay.

#### Stock Provision (see note 15)

The level of inventory provision is dependent upon material resource planning driven current requirements of production inventory and the age profile of the inventory which is in excess of these requirements. In addition, a general review of the provision is made in order to supplement the formula based methodology to ensure that it is both reasonable and prudent.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	47,556,953	46,782,364
Rest of Europe	1,438,333	1,633,938
Rest of the world	581,910	783,037
	<u>49,577,196</u>	<u>49,199,339</u>

### 5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	35,640	47,600
Amortisation of intangible assets, including goodwill	379,459	379,459
Other operating lease rentals	679,584	678,424
Cost of defined contribution scheme	153,889	147,270
Hire of plant and machinery	41,627	47,101
Stock recognised as an expense	<u>42,520,303</u>	<u>41,378,053</u>

### 6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>25,825</u>	<u>22,650</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	10,400	7,650
Other non audit services	11,900	6,800
	<u>22,300</u>	<u>14,450</u>

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 7. Employees

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

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
Wages and salaries	3,839,344	3,881,485	-	-
Social security costs	394,239	407,533	-	-
Cost of defined contribution scheme	153,689	147,270	-	-
	<u>4,387,272</u>	<u>4,436,288</u>	<u>-</u>	<u>-</u>

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

	2019 No.	2018 No.
Management	3	3
Administration	56	53
Sales and distribution	45	48
	<u>104</u>	<u>104</u>

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL)

### 8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	468,542	465,390
Company contributions to defined contribution pension schemes	28,230	27,407
	<u>496,772</u>	<u>492,797</u>

During the 52 Week Period retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £207,697 (2018 - £211,152).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,521 (2018 - £13,127).

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable and invoice discounting charges	85,328	100,999
Loan note interest payable	26,462	27,065
	<u>111,790</u>	<u>128,064</u>

### 10. Other finance costs

	2019 £	2018 £
Net interest on net defined benefit liability	(37,000)	(8,000)
	<u>(37,000)</u>	<u>(8,000)</u>

### 11. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the period	192,000	161,639
Adjustments in respect of previous periods	4,455	564
<b>Total current tax</b>	<u>196,455</u>	<u>162,203</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(38,597)	(24,660)
Changes to tax rates	-	(4,525)
Adjustments in respect of previous periods	(4,632)	-
<b>Total deferred tax</b>	<u>(43,229)</u>	<u>(29,185)</u>
<b>Taxation on profit on ordinary activities</b>	<u>153,226</u>	<u>133,018</u>

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 11. Taxation (continued)

#### Factors affecting tax charge for the period

The tax assessed for the period is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	594,221	515,663
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	112,902	97,976
Effects of:		
Expenses not deductible for tax purposes	39,545	40,051
Adjustments in respect of prior periods	(177)	(3,961)
Other movements	956	(1,048)
<b>Total tax charge for the period</b>	<b>153,226</b>	<b>133,018</b>

#### 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.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 12. Intangible assets

#### Group

	Brand £	Customer Relationships £	Trademarks £	Goodwill £	Total £
<b>Cost</b>					
At 31 March 2018	411,000	1,769,000	11,982	3,608,620	5,800,602
Additions	-	-	-	28,352	28,352
At 29 March 2019	411,000	1,769,000	11,982	3,636,972	5,828,954
<b>Amortisation</b>					
At 31 March 2018	48,806	420,137	6,825	428,524	904,292
Charge for the year	20,550	176,900	1,578	180,431	379,459
At 29 March 2019	69,356	597,037	8,403	608,955	1,283,751
<b>Net book value</b>					
At 29 March 2019	341,644	1,171,963	3,579	3,028,017	4,545,203
At 30 March 2018	362,194	1,348,863	5,157	3,180,096	4,896,310

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

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### 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.

On 29 October 2018 the group acquired the trade and certain assets of Samways IG Limited. The group acquired net debtors totalling £43,084 for a sum totalling £71,436 (which was paid in cash on completion) resulting in goodwill £28,352. Since acquisition the trade contributed turnover totalling £138,949 and a loss for the period totalling £8,268.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 13. Tangible fixed assets

#### Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 31 March 2018	55,951	45,428	110,424	211,803
Additions	9,901	102,541	2,555	114,997
Disposals	(9,200)	-	(27,336)	(36,536)
At 29 March 2019	56,652	147,969	85,643	290,264
<b>Depreciation</b>				
At 31 March 2018	27,024	9,471	60,253	96,748
Charge for the 52 Week Period on owned assets	6,639	10,276	18,725	35,640
Disposals	(9,200)	-	(27,336)	(36,536)
At 29 March 2019	24,463	19,747	51,642	95,852
<b>Net book value</b>				
At 29 March 2019	32,189	128,222	34,001	194,412
At 30 March 2018	28,927	35,957	50,171	115,055



# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 14. Fixed asset investments

#### Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
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
PW Fine Foods Limited	Ordinary	100 %	Sales, marketing and distribution of premium quality food

#### 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.

PW Fine Foods Limited (registered number 11492973) is exempt from the requirements of the Act relating to the audit of accounts under section 479A of the Companies Act 2006.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 14. Fixed asset investments (continued)

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 31 March 2018	10,739,569
Additions	1
At 29 March 2019	<u>10,739,570</u>
<b>Net book value</b>	
At 29 March 2019	<u>10,739,570</u>
At 30 March 2018	<u>10,739,569</u>

### 15. Stocks

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
Finished goods and goods for resale	6,306,486	5,047,310	-	-
	<u>6,306,486</u>	<u>5,047,310</u>	<u>-</u>	<u>-</u>

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

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 16. Debtors

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
Trade debtors	7,159,386	6,827,429	-	-
Other debtors	156,204	47,864	-	-
Prepayments and accrued income	659,265	553,290	-	-
Deferred tax asset	163,920	252,490	-	-
	<u>8,138,775</u>	<u>7,681,073</u>	<u>-</u>	<u>-</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 £24,597 (2018 - £103,472).

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

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
Invoice discounting facility	4,076,969	4,269,762	-	-
Bank loans	311,124	533,350	311,124	533,350
Loan notes	252,676	-	252,676	-
Trade creditors	7,876,982	6,500,862	-	-
Amounts owed to group undertakings	-	-	8,321,606	7,738,234
Corporation tax	192,000	80,617	-	-
Other taxation and social security	170,261	177,452	-	-
Other creditors	1,364,638	1,079,653	18	18
Accruals and deferred income	1,221,527	1,178,142	-	-
	<u>15,466,177</u>	<u>13,819,838</u>	<u>8,885,424</u>	<u>8,271,602</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 invoice discounting facility is secured against the assets it relates to.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

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

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
Bank loans	-	311,108	-	311,108
Loan notes	-	259,576	-	259,576
	<u>-</u>	<u>570,684</u>	<u>-</u>	<u>570,684</u>

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

### 19. Loans

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
<b>Amounts falling due within one year</b>				
Bank loans	311,124	533,350	311,124	533,350
Loan notes	252,676	-	252,676	-
	<u>563,800</u>	<u>533,350</u>	<u>563,800</u>	<u>533,350</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	-	311,108	-	311,108
Loan notes	-	259,576	-	259,576
	<u>-</u>	<u>570,684</u>	<u>-</u>	<u>570,684</u>
	<u>563,800</u>	<u>1,104,034</u>	<u>563,800</u>	<u>1,104,034</u>

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 20. Financial instruments

	Group 29 March 2019 £	Group 30 March 2018 £	Company 29 March 2019 £	Company 30 March 2018 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	7,447,519	7,030,499	1	1
	<u>7,447,519</u>	<u>7,030,499</u>	<u>1</u>	<u>1</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(15,103,916)	(14,132,453)	(8,885,424)	(8,842,286)
	<u>(15,103,916)</u>	<u>(14,132,453)</u>	<u>(8,885,424)</u>	<u>(8,842,286)</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 invoice discounting and bank overdraft, 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 29 March 2019

### 21. Deferred taxation

#### Group

	2019 £	2018 £
At beginning of period	(304,316)	(333,501)
Credited to profit or loss	36,939	29,185
<b>At end of period</b>	<b>(267,377)</b>	<b>(304,316)</b>

#### At end of year

	Group 29 March 2019 £	Group 30 March 2018 £
Business combinations	(257,313)	(290,880)
Accelerated capital allowances	(13,601)	(15,417)
Other timing differences	3,537	1,981
	<b>(267,377)</b>	<b>(304,316)</b>

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 29 March 2019

### 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 £142,844 (2018 - £147,269). At the period end there were outstanding contributions of £29,013 (2018 - £27,887).

The Group operates a Defined Benefit Pension Scheme.

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 2017 and updated at 29 March 2019 by a qualified independent actuary on an FRS 102 section 28 basis.

There were no changes to the scheme during the period.

Reconciliation of present value of plan liabilities:

	29 March 2019 £	30 March 2018 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the period	(16,284,000)	(16,178,000)
Interest cost	(394,000)	(415,000)
Actuarial gains/losses	(374,000)	(133,000)
Benefits paid	1,053,000	442,000
<b>At the end of the year</b>	<b>(15,999,000)</b>	<b>(16,284,000)</b>

Composition of plan liabilities:

	29 March 2019 £	30 March 2018 £
Schemes wholly or partly funded	(15,999,000)	(16,284,000)
<b>Total plan liabilities</b>	<b>(15,999,000)</b>	<b>(16,284,000)</b>

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 22. Pension commitments (continued)

Reconciliation of present value of plan assets:

	29 March 2019 £	30 March 2018 £
At the beginning of the period	14,799,000	15,882,000
Interest income on plan assets	357,000	407,000
Remeasurement - return on plan assets excluding interest income	932,000	(1,048,000)
Benefits paid	(1,053,000)	(442,000)
<b>At the end of the year</b>	<b>15,035,000</b>	<b>14,799,000</b>

Composition of plan assets:

	29 March 2019 £	30 March 2018 £
Annuity policies	502,000	510,000
European equities	4,702,000	6,783,000
European bonds	5,224,000	4,259,000
Cash	510,000	3,247,000
Liability Driven Investment Strategies	4,097,000	-
<b>Total plan assets</b>	<b>15,035,000</b>	<b>14,799,000</b>

	29 March 2019 £	30 March 2018 £
Fair value of plan assets	15,035,000	14,799,000
Present value of plan liabilities	(15,999,000)	(16,284,000)
<b>Net pension scheme liability</b>	<b>(964,000)</b>	<b>(1,485,000)</b>



# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 22. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	29 March 2019 £	30 March 2018 £
Net interest expense on net defined benefit liability	(37,000)	(8,000)
<b>Total</b>	<b>(37,000)</b>	<b>(8,000)</b>

The amounts recognised in other comprehensive income:

	29 March 2019 £	30 March 2018 £
Actual return less interest income included in net interest income	932,000	(1,048,000)
Actuarial gains and (losses)	(277,000)	(268,000)
Changes in assumptions underlying the present value of the scheme liabilities	(97,000)	135,000
	<b>558,000</b>	<b>(1,181,000)</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £3,301,600 (2018 - £1,767,000).

The Group expects to contribute £NIL to its Defined Benefit Pension Scheme in 2020.

# Southwark Bridge Holdings Limited

## Notes to the Financial Statements For the 52 Week Period Ended 29 March 2019

### 22. Pension commitments (continued)

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

	2019 %	2018 %
Discount rate	2.40	2.50
RPI inflation rate	3.40	3.20
CPI inflation rate	2.40	2.20
Increases to pensions in deferment	2.40	2.20
Future pension increases	3.20	3.00
Post-retirement mortality:		
- base table	S2PA	S2PA
- mortality projections	CMI 2018	CMI 2017
- long term rate of improvement	1.25	1.25
Commutation	5	5.00
Life expectancies from age 65:		
- male currently aged 65	86	87
- female currently aged 65	88	89
- male currently aged 45	88	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 29 March 2019

### 23. Commitments under operating leases

At 29 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 March 2019 £	Group 30 March 2018 £
Not later than 1 year	645,357	664,325
Later than 1 year and not later than 5 years	2,052,846	2,051,699
Later than 5 years	6,750,000	7,200,000
	<u>9,448,203</u>	<u>9,916,024</u>

There is a guarantee of £70,000 (2018: £70,000) to HM Revenue & Customs arising in the ordinary course of business.

The company had no commitments under operating lease.

### 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 29 March 2019, the group loans and overdraft totalled £311,124 (2018: £844,458).

### 25. Share capital

	29 March 2019 £	30 March 2018 £
<b>Allotted, called up and fully paid</b>		
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 29 March 2019

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### 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 (2018: £252,677) were owed to the directors. During the year interest totalling £26,764 (2018: £27,065) 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.

Key management personnel are considered to be the directors. The total compensation paid to key management personnel for services provided to the group is £535,498 (2018: £560,803).

### 29. Controlling party

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