

**Southwark Bridge Holdings
Limited**

Annual Report and Financial Statements

52 week period Ended

27 March 2020

Company Number 09769423

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Southwark Bridge Holdings Limited

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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

Group Strategic Report For the 52 Week Period Ended 27 March 2020

The directors present their strategic report together with the audited financial statements for the 52 week period ended 27 March 2020.

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 almost 130 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

This year we have experienced an extremely volatile trading period with the uncertainty of Brexit affecting most of the year and the first impacts of Covid 19 during the last quarter. In addition, we also budgeted to implement modifications to our business structure in order that we were in good shape for optimising future opportunities for the business.

However, I am pleased to report that despite these conditions we were able to increase sales year on year by circa £1.8m as our core brands continued to perform well and our commitment to investing in our infrastructure ensured we were able to secure additional new business in the last quarter.

It was particularly encouraging to see significant growth in our owned brands and license portfolio, especially Epicure which grew 20% year on year. We believe that this growth will gather pace as we move into FY 20/21. This year gross profit was predictably 1% down versus last year, partly due to prior year carrying exceptional one off compensation payments and also partly due to the additional strategic investments we made to our infrastructure. This was in line with our budgeted expectations.

We are confident that these investments will enable us to gain the initiative next year and create the momentum needed to step change the business.

Based on the last 8 weeks of trading we are predicting a significant increase in demand for core grocery products in the first quarter of 20/21 as the impact of Covid 19 makes consumers stock build and significantly increase at-home consumption.

Due to our infrastructure investments the business is in great shape to optimise the opportunities that arise from this. We are already picking up business as others fail to meet this increased demand. In addition, the new brands we secured in the last quarter will give us a stronger base for growth with plenty of upside next financial year.

Management of working capital is supported through an invoice discount facility secured on the company's debtor book. I am pleased to say that all other external loans were paid off during the year as part of our strategic plan due to very strong working capital management.

The company operates a closed defined benefits pension scheme. This was in surplus when the last Tri-valuation took place in 2017. However, due to the need to have a 'moment in time' valuation as per FRS102 at year end the deficit totalled £1.9m (2019: £1m). As a result, net assets after the pension adjustment reduced by around £450k to £2.2m.

Southwark Bridge Holdings Limited

Group Strategic Report (continued) For the 52 Week Period Ended 27 March 2020

Financial key performance indicators

	2020 £'000	2019 £'000
Turnover	51,334	49,577
Trading margin*	10,692	10,794
Stock	5,022	6,306
Trade debtors	8,064	7,159
Trade creditors	6,626	7,877

*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.

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.

Southwark Bridge Holdings Limited

Group Strategic Report (continued) For the 52 Week Period Ended 27 March 2020

Principal risks and uncertainties (continued)

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.

Coronavirus

In the period immediately prior to year end and prior to approving the financial statements a new risk of the Coronavirus has emerged. This will impact all businesses in the UK (and globally). The Directors have already implemented actions to take account of this risk to ensure the Group can continue to trade and remain profitable for the foreseeable future. We are also working with our staff to ensure their continuing welfare and with customers to ensure their requirements can be met. Finally we have significant levels of cash reserves and facilities available to the Group which is available to the group as required.

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.

Directors' statement of compliance with duty to promote the success of the group

Corporate governance within the Group provides a framework to not only demonstrate how the board makes decisions for the long term success of the Group and its stakeholders, but also has regard to how the board ensures the companies within the Group comply with the requirements of Section 172 of the Companies Act 2006.

During the reported financial period the key decisions taken by the board included:

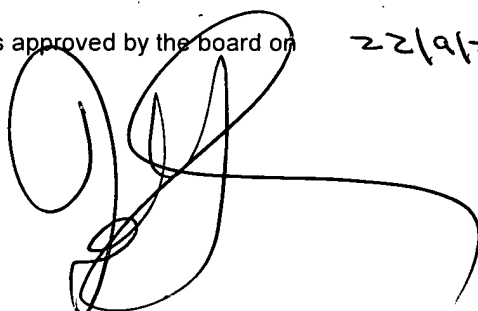
- Secured new supply partners to ensure future growth of the Group
- Investment in owned and licensed brands to ensure continued profitable growth
- Stock management decisions to accommodate uncertainties around Brexit and Covid
- Covid secure measures to protect employees and visitors and ensure no disruption to our business
- Investing in our employees including introducing flexible benefits at the beginning of the period in addition to our already extensive benefits packages
- Investing in our infra-structure to maintain and enhance the long term viability of our working environment.

This report was approved by the board on

22/9/2020

and signed on its behalf.

J Potter
Director



Southwark Bridge Holdings Limited

Directors' Report For the 52 Week Period Ended 27 March 2020

The directors present their report and the financial statements for the 52 week period ended 27 March 2020.

Results and dividends

The profit for the 52 week period, after taxation, amounted to £243,530 (2019 - £440,995).

The directors do not recommend the payment of a dividend for 2020 (2019 - 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.

Post balance sheet events

There are no reportable post balance sheet events.

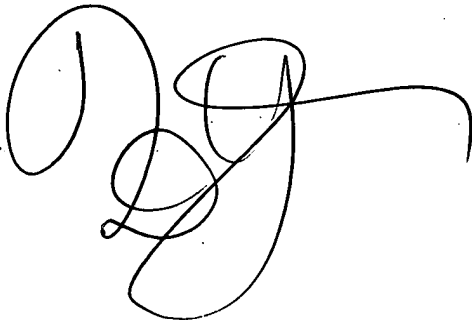
Auditor

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 22/9/2020

and signed on its behalf.

J Potter
Director



Southwark Bridge Holdings Limited

Directors' Responsibilities Statement For the 52 Week Period Ended 27 March 2020

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company 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 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 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

Opinion

We have audited the financial statements of Southwark Bridge Holdings Limited ("the parent company") and its subsidiaries ("the group") for the period ended 27 March 2020 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 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 27 March 2020 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)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 director's 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)

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

BDO LLP

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

25/9/2020

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 27 March 2020

	Note	2020 £	2019 £
Turnover	4	51,334,456	49,577,196
Cost of sales		(40,986,583)	(39,045,182)
Gross profit		10,347,873	10,532,014
Distribution costs		(6,334,116)	(6,109,839)
Administrative expenses		(3,471,957)	(3,680,127)
Operating profit	5	541,800	742,048
Interest receivable and similar income		-	963
Interest payable and similar charges	9	(132,463)	(111,790)
Other finance costs	10	(23,000)	(37,000)
Profit before taxation		386,337	594,221
Tax on profit	11	(142,807)	(153,226)
Profit for the financial 52 week period		243,530	440,995
Actuarial (losses) and gains on defined benefit pension scheme	20	(902,000)	558,000
Movement of deferred tax relating to pension deficit		195,080	(94,860)
Other comprehensive (loss)/income for the 52 week period		(706,920)	463,140
Total comprehensive (loss)/income for the 52 week period		(463,390)	904,135

The notes on pages 15 to 39 form part of these financial statements.

Southwark Bridge Holdings Limited

Registered number:09769423

Consolidated Balance Sheet As at 27 March 2020

	Note	27 March 2020 £	27 March 2020 £	29 March 2019 £	29 March 2019 £
Fixed assets					
Intangible assets	12		4,163,289		4,545,203
Tangible assets	13		158,275		194,412
			<u>4,321,564</u>		<u>4,739,615</u>
Current assets					
Stocks	15	5,021,789		6,306,486	
Debtors: amounts falling due within one year	16	9,052,828		8,138,775	
Cash at bank and in hand	17	106,428		131,929	
		<u>14,181,045</u>		<u>14,577,190</u>	
Creditors: amounts falling due within one year	18	(14,199,957)		(15,466,177)	
Net current liabilities			<u>(18,912)</u>		<u>(888,987)</u>
Total assets less current liabilities			<u>4,302,652</u>		<u>3,850,628</u>
Provisions for liabilities					
Deferred taxation	19	(257,791)		(267,377)	
			<u>(257,791)</u>		<u>(267,377)</u>
Net assets excluding pension liability			<u>4,044,861</u>		<u>3,583,251</u>
Pension liability	20		(1,889,000)		(964,000)
Net assets			<u><u>2,155,861</u></u>		<u><u>2,619,251</u></u>
Capital and reserves					
Called up share capital	23		2,025,559		2,025,559
Profit and loss account	24		130,302		593,692
			<u><u>2,155,861</u></u>		<u><u>2,619,251</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 15 to 39 form part of these financial statements.

22/9/2020

Southwark Bridge Holdings Limited

Registered number:09769423

Company Balance Sheet As at 27 March 2020

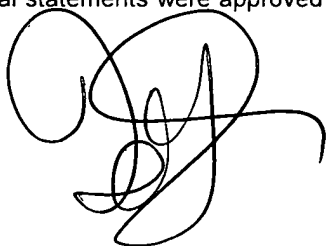
	Note	27 March 2020 £	27 March 2020 £	29 March 2019 £	29 March 2019 £
Fixed assets					
Investments	14		10,739,570		10,739,570
Creditors: amounts falling due within one year	18	(8,913,913)		(8,885,424)	
Net current liabilities			(8,913,913)		(8,885,424)
Net assets			1,825,657		1,854,146
Capital and reserves					
Called up share capital	23		2,025,559		2,025,559
Profit and loss account	24		(199,902)		(171,413)
Total equity			1,825,657		1,854,146

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 income and retained earnings in these financial statements. The loss after tax of the parent company for the period was £28,489 (2019 - £43,137).

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

22/9/2020

J Potter
Director



The notes on pages 15 to 39 form part of these financial statements.

Southwark Bridge Holdings Limited

Consolidated Statement of Changes in Equity For the Period Ended 27 March 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 30 March 2018	2,025,559	(310,443)	1,715,116
Comprehensive income for the period			
Profit for the period	-	440,995	440,995
Actuarial losses on pension scheme (net of deferred tax)	-	463,140	463,140
Other comprehensive income for the period	-	463,140	463,140
Total comprehensive income for the period	-	904,135	904,135
At 30 March 2019	2,025,559	593,692	2,619,251
Comprehensive income for the period			
Profit for the period	-	243,530	243,530
Actuarial gains on pension scheme (net of deferred tax)	-	(706,920)	(706,920)
Total comprehensive income for the period	-	(463,390)	(463,390)
Contributions by and distributions to owners			
Total transactions with owners	-	-	-
At 27 March 2020	2,025,559	130,302	2,155,861

Southwark Bridge Holdings Limited

Company Statement of Changes in Equity For the Period Ended 27 March 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 31 March 2018	2,025,559	(128,276)	1,897,283
Comprehensive income for the period			
Loss for the period	-	(43,137)	(43,137)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(43,137)	(43,137)
	<hr/>	<hr/>	<hr/>
At 29 March 2019	2,025,559	(171,413)	1,854,146
Comprehensive income for the period			
Loss for the period	-	(28,489)	(28,489)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(28,489)	(28,489)
	<hr/>	<hr/>	<hr/>
At 27 March 2020	2,025,559	(199,902)	1,825,657

Southwark Bridge Holdings Limited

Consolidated Statement of Cash Flows For the 52 Week Period Ended 27 March 2020

	27 March 2020 £	29 March 2019 £
Cash flows from operating activities		
Profit for the financial 52 week period	243,530	440,995
Adjustments for:		
Amortisation of intangible assets	381,914	379,459
Depreciation of tangible assets	53,907	35,640
Interest paid	153,893	147,827
Taxation charge	142,807	153,226
Decrease/(increase) in stocks	1,284,697	(1,259,176)
(Increase) in debtors	(717,403)	(503,187)
(Decrease)/increase in creditors	(1,397,234)	1,697,298
Corporation tax (paid)	(249,393)	(85,072)
Net cash generated from operating activities	(103,282)	1,007,010
Cash flows from investing activities		
Purchase of tangible fixed assets	(17,770)	(114,997)
Purchase of trade and assets	-	(71,436)
Interest received	-	963
Net cash from investing activities	(17,770)	(185,470)
Cash flows from financing activities		
Repayment of bank loans	(311,124)	(533,334)
Repayment of other loans	(252,676)	-
Increase/(decrease) in invoice discounting facility	790,244	(192,793)
Interest paid	(130,893)	(118,690)
Net cash used in financing activities	95,551	(844,817)
Net (decrease) in cash and cash equivalents	(25,501)	(23,277)
Cash and cash equivalents at beginning of 52 week period	131,929	155,206
Cash and cash equivalents at the end of 52 week period	106,428	131,929
Cash and cash equivalents at the end of 52 week period comprise:		
Cash at bank and in hand	106,428	131,929
	106,428	131,929

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliation's for the group and the company would be identical.
- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

2. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 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).

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

2. Accounting policies (continued)

2.6 Going concern

In the period prior to approving the financial statements a new risk of Coronavirus has emerged.

The results to the end of August 2020 have remained profitable with turnover increasing by 21% for the 5 month period to August 2020 compared to the same period to August 2019 and profitability being significantly ahead of prior year and budget. In light of this new risk the directors have reforecast their budgets for year to March 2021 through to September 2021.

The forecast for the forthcoming year shows increased profitability for the year as a result of the very strong start to the year and further profitability thereafter. During the year the group repaid its bank debt and debt owed to the directors which arose from the original acquisition of the business.

The group has sufficient financing arrangements in place with its banker such that they believe the business will be able to operate within its existing facilities for the foreseeable future. Based on these forecasts the directors have concluded that it remains appropriate to prepare the financial statements on the going concern basis.

2.7 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.

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.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

2. Accounting policies (continued)

2.8 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).

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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 27 March 2020

2. Accounting policies (continued)

2.11 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.

2.12 Foreign currency translation

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.

2.13 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.

2.14 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.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

2. Accounting policies (continued)

2.14 Pensions (continued)

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.

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.

2.16 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.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

2. Accounting policies (continued)

2.16 Current and deferred taxation (continued)

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.

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's 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 estimate including key financial 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 forecast are extrapolated using growth assumptions relevant for the business sector and based on industry research.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

3. Judgements in applying accounting policies (continued)

Estimated pension liabilities (see note 20)

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 20).

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.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	49,078,632	47,556,953
Rest of Europe	1,777,025	1,438,333
Rest of the world	478,799	581,910
	<u>51,334,456</u>	<u>49,577,196</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	53,907	35,640
Amortisation of intangible assets, including goodwill	381,914	379,459
Other operating lease rentals	818,707	793,465
Cost of defined contribution scheme	197,300	153,889
Exchange differences	<u>(124,289)</u>	<u>26,082</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

6. Auditor's remuneration

	2020 £	2019 £
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>25,825</u>
Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	10,400	10,400
Other non audit services	11,900	11,900
	<u>22,300</u>	<u>22,300</u>

7. Employees

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

	Group 27 March 2020 £	Group 29 March 2019 £	Company 27 March 2020 £	Company 29 March 2019 £
Wages and salaries	3,897,076	3,839,344	-	-
Social security costs	401,456	394,239	-	-
Cost of defined contribution scheme	197,300	153,689	-	-
	<u>4,495,832</u>	<u>4,387,272</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Management	3	3
Administration	51	56
Sales and distribution	48	45
	<u>102</u>	<u>104</u>

The company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL)

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	482,228	468,542
Company contributions to defined contribution pension schemes	28,793	28,230
	<u>511,021</u>	<u>496,772</u>

During the 52 week period retirement benefits were accruing to 3 directors (2019 -3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £211,560 (2019 -£207,697).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,791 (2019 -£13,521).

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	116,824	85,328
Other loan interest payable	15,639	26,462
	<u>132,463</u>	<u>111,790</u>

10. Other finance costs

	2020 £	2019 £
Net interest on net defined benefit liability	<u>(23,000)</u>	<u>(37,000)</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the period	155,000	192,000
Adjustments in respect of previous periods	(2,607)	4,455
Total current tax	152,393	196,455
Deferred tax		
Origination and reversal of timing differences	(39,858)	(38,597)
Changes to tax rates	30,272	-
Adjustments in respect of previous periods	-	(4,632)
Total deferred tax	(9,586)	(43,229)
Taxation on profit on ordinary activities	142,807	153,226

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	386,337	594,221
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	73,404	112,902
Effects of:		
Expenses not deductible for tax purposes	35,674	39,545
Change in tax rates	31,615	-
Adjustments in respect of prior periods	(2,607)	(177)
Other movements	4,721	956
Total tax charge for the period	142,807	153,226

Factors that may affect future tax charges

The Government has announced that from 1 April 2020 the Corporation Tax main rate will be 19%. Accordingly, the deferred tax balances recognised in the accounts as at the period end have been calculated using the 19% rate.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

12. Intangible assets

Group

	Brand £	Customer Relationships £	Trademarks £	Goodwill £	Total £
Cost					
At 30 March 2019	411,000	1,769,000	11,982	3,636,972	5,828,954
At 27 March 2020	411,000	1,769,000	11,982	3,636,972	5,828,954
Amortisation					
At 30 March 2019	69,356	597,037	8,403	608,955	1,283,751
Charge for the 52 week period	20,550	176,900	1,198	183,266	381,914
At 27 March 2020	89,906	773,937	9,601	792,221	1,665,665
Net book value					
At 27 March 2020	321,094	995,063	2,381	2,844,751	4,163,289
At 29 March 2019	341,644	1,171,963	3,579	3,028,017	4,545,203

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

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 27 March 2020

13. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 30 March 2019	56,652	147,969	85,643	290,264
Additions	-	15,371	2,399	17,770
Disposals	-	-	(8,724)	(8,724)
At 27 March 2020	56,652	163,340	79,318	299,310
Depreciation				
At 30 March 2019	24,463	19,747	51,642	95,852
Charge for the 52 week period	6,449	31,662	15,796	53,907
Disposals	-	-	(8,724)	(8,724)
At 27 March 2020	30,912	51,409	58,714	141,035
Net book value				
At 27 March 2020	25,740	111,931	20,604	158,275
At 29 March 2019	32,189	128,222	34,001	194,412

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

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 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 27 March 2020

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 30 March 2019	10,739,570
At 27 March 2020	10,739,570
Net book value	
At 27 March 2020	10,739,570
At 29 March 2019	10,739,570

15. Stocks

	Group 27 March 2020 £	Group 29 March 2019 £
Finished goods and goods for resale	5,021,789	6,306,486

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 27 March 2020

16. Debtors

	Group 27 March 2020 £	Group 29 March 2019 £
Trade debtors	8,063,939	7,159,386
Amounts owed by group undertakings	1,570	-
Other debtors	80,315	156,204
Prepayments and accrued income	548,004	659,265
Deferred taxation	359,000	163,920
	<u>9,052,828</u>	<u>8,138,775</u>

The group deferred tax asset relates to the defined benefit pension scheme (see note 20).

The impairment loss recognised in the statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £17,531 (2019 - £24,597).

17. Cash and cash equivalents

	Group 27 March 2020 £	Group 29 March 2019 £
Cash at bank and in hand	106,428	131,929
	<u>106,428</u>	<u>131,929</u>

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

18. Creditors: Amounts falling due within one year

	Group 27 March 2020 £	Group 29 March 2019 £	Company 27 March 2020 £	Company 29 March 2019 £
Bank loans	-	311,124	-	311,124
Other loans	4,867,213	4,329,645	-	252,676
Trade creditors	6,626,096	7,876,982	-	-
Amounts owed to group undertakings	1,570	-	8,913,913	8,321,606
Corporation tax	95,000	192,000	-	-
Other taxation and social security	134,824	170,261	-	-
Other creditors	1,254,425	1,364,638	-	18
Accruals and deferred income	1,220,829	1,221,527	-	-
	14,199,957	15,466,177	8,913,913	8,885,424

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.

Within other loans is an invoice discounting facility totalling £4,867,213 (2019: £4,076,969) which is secured against the assets it relates to.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

19. Deferred taxation

Group

	2020 £	2019 £
At beginning of period	(267,377)	(304,316)
Credited to profit or loss	9,586	36,939
At end of period	(257,791)	(267,377)

The provision for deferred taxation is made up as follows:

	Group 27 March 2020 £	Group 29 March 2019 £
Business combinations	(250,523)	(257,313)
Accelerated capital allowances	(10,282)	(13,601)
Other timing differences	3,014	3,537
	(257,791)	(267,377)

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 27 March 2020

20. 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 £197,300 (2019 - £142,844). At the period end there were outstanding contributions of £38,186 (2019 - £29,013).

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:

	27 March 2020 £	29 March 2019 £
Reconciliation of present value of plan liabilities		
At the beginning of the period	(15,999,000)	(16,284,000)
Interest cost	(369,000)	(394,000)
Actuarial gains/losses	(226,000)	(374,000)
Benefits paid	1,278,000	1,053,000
At the end of the year	(15,316,000)	(15,999,000)

Composition of plan liabilities:

	27 March 2020 £	29 March 2019 £
Schemes wholly or partly funded	(15,316,000)	(15,999,000)
Total plan liabilities	(15,316,000)	(15,999,000)

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

20. Pension commitments (continued)

Reconciliation of present value of plan assets:

	27 March 2020 £	29 March 2019 £
At the beginning of the period	15,035,000	14,799,000
Interest income on plan assets	346,000	357,000
Remeasurement - return on plan assets excluding interest income	(676,000)	932,000
Benefits paid	(1,278,000)	(1,053,000)
At the end of the year	13,427,000	15,035,000

Composition of plan assets:

	27 March 2020 £	29 March 2019 £
Annuity policies	464,000	502,000
Liability Driven Investment Strategies	3,907,000	4,097,000
European bonds	1,256,000	1,462,000
Cash	33,000	54,000
Liability Driven Investment Strategies	7,767,000	8,920,000
Total plan assets	13,427,000	15,035,000

	27 March 2020 £	29 March 2019 £
Fair value of plan assets	13,427,000	15,035,000
Present value of plan liabilities	(15,316,000)	(15,999,000)
Net pension scheme liability	(1,889,000)	(964,000)

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

20. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	27 March 2020 £	29 March 2019 £
<i>Interest on obligation</i>	(23,000)	(37,000)
Total	(23,000)	(37,000)

The amounts recognised in the profit or loss and other comprehensive income:

	27 March 2020 £	29 March 2019 £
Interest cost	23,000	37,000
Actuarial (gains) and losses	902,000	(558,000)
	925,000	(521,000)

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income was £4,226,600 (2019 - £3,301,600).

The group expects to contribute £nil to its Defined Benefit Pension Scheme in 2021.

Southwark Bridge Holdings Limited

Notes to the Financial Statements For the 52 Week Period Ended 27 March 2020

20. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Discount rate	2.20	2.40
RPI inflation rate	2.70	3.40
CPI inflation rate	1.90	2.40
Increases to pensions in deferment	1.90	2.40
Future pension increases	2.60	3.20
Post-retirement mortality:		
- base table	S2PA	S2PA
- mortality projections	CMI 2019	CMI 2018
- long term rate of improvement	1.25	1.25
Commutation	5	5
<hr/>		
- Life expectancies from age 65:		
- male currently aged 65	87	86
- female currently aged 65	89	88
- male currently aged 45	88	88
- female currently aged 45	90	90
	<hr/>	<hr/>

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 27 March 2020

21. Commitments under operating leases

At 27 March 2020 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 27 March 2020 £	Group 29 March 2019 £
Not later than 1 year	730,091	736,609
Later than 1 year and not later than 5 years	2,169,440	2,100,000
Later than 5 years	6,300,000	6,750,000
	<u>9,199,531</u>	<u>9,586,609</u>

There is a guarantee of £70,000 (2019 - £70,000) to HM Revenue & Customs arising in the ordinary course of business.

The company had no commitments under operating lease.

22. 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 27 March 2020, the group loans and overdraft totalled £Nil (2019 - £311,124).

23. Share capital

	27 March 2020 £	29 March 2019 £
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 27 March 2020

24. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

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

25. Analysis of net debt

	At 30 March 2019 £	Cash flows £	At 27 March 2020 £
Cash at bank and in hand	131,929	(25,501)	106,428
Debt due within 1 year	(4,640,769)	(226,444)	(4,867,213)
	<u>(4,508,840)</u>	<u>(251,945)</u>	<u>(4,760,785)</u>

26. Transactions with directors

At year end loan notes totalling £Nil (2019 - £252,677) were owed to the directors. During the year interest totalling £15,639 (2019 - £26,764) was charged. Interest is charged at 10% per annum.

27. Related party transactions

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

28. Controlling party

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