

Southwark Bridge Holdings Limited

Report and Financial Statements

Period ended

1 April 2016

Company Number 09769423

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Southwark Bridge Holdings Limited

Report and financial statements
for the period ended 1 April 2016

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Directors

J Potter
S Linehan
G Reynolds

Registered office

Walworth Business Park, Livingstone Road, Andover, Hampshire, SP10 5NS

Company number

09769423

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Southwark Bridge Holdings Limited

Strategic report for the period ended 1 April 2016

The directors present their strategic report together with the audited financial statements for the period ended 1 April 2016.

Principal activities

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

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

The group is the brand owner of Epicure, including its sub-brands Epic, Creative Cooks and Deli-Italia. Other owned brands include Burnt Sugar, SaladMakers, MealMakers, L'Oro Verdi, London Town Chocolate, and Edwardian Mint.

Results and business review

The company was incorporated on 9 September 2015.

Our core business remains strong and this has been reflected in stable sales and profit for the period to 1 April 2016, despite continuing challenging macro-economic conditions. Maintaining and enhancing this core business remains central to our future development as it provides the bedrock on which our plans can be delivered.

On 19 November 2015 Southwark Bridge Holdings acquired the entire share capital of Seebeck 114 Limited and its subsidiaries. The acquisition price was £10.7m made up of cash consideration £7.1m, vendor loan notes £1.7m and £1.9m of B ordinary shares. The acquisition was an MBO where 3 of the existing shareholders of the Seebeck 114 group "brought out" the remaining shareholders of Seebeck 114 Limited using Southwark Bridge Holdings as the vehicle to transition this. Both the existing and the current shareholders have loan notes in the new business SBH. The group at acquisition had no debt in the business and at date of acquisition the fair value of the net assets of the group acquired totalled £7.1m therefore the intangible element to be considered is £3.6m.

Management of working capital is supported through an invoice discounting facility secured on the company's debtor book. To facilitate the acquisition a term loan of £600k was raised repayable over one year on a quarterly basis, with the first repayment having already been made at the end of the period.

Post balance sheet event

There are no post balance sheet events to report.

Future developments

2016 represents the 200th anniversary of Petty, Wood, and the 125th anniversary of our brand Epicure. This landmark year is proving to be a very exciting time in the history of our group. At the start of 2016 ownership was returned to people who work in the business and who care passionately about its continued success. New contracts have been secured which will provide material sales growth going forward. Investment is being made in enhancing our relationships with wholesale and independent sectors, with great offers and incentives to buy from us, and which has already seen a 40% increase in the number of trading delivery points for our field sales team against prior year at the time of writing. We have strengthened our resources in the Export, Multiple and On-Trade sectors to deliver targeted growth plans. Finally we want innovation to be at the heart of our business, for our Retailers, our Brand Principals, and our owned brands. All of this will be done within sensible and prudent fiscal management.

Southwark Bridge Holdings Limited

Strategic report
for the period ended 1 April 2016 (*continued*)

Principal risks and uncertainties

The group gives appropriate consideration to risk management 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 ensuring 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 exchange 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 where necessary.

On behalf of the board

J Potter
Director
Date


3.10.2016

Southwark Bridge Holdings Limited

Directors' report for the period ended 1 April 2016

The directors present their report together with the audited financial statements for the period ended 1 April 2016.

There are a number of items required to be included in the directors' report, which are covered in the strategic report:

- Review of the business and future developments
- Key performance indicators
- Principal risks and uncertainties

Results and dividends

The consolidated statement of comprehensive income is set out on page 7 and shows the profit for the period.

The directors do not recommend the payment of a dividend for the period under review.

Financial instruments

The group operates a centralised treasury function, which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group's principal financial instruments include bank overdrafts, invoice discounting facilities and hire purchase agreements, the main purpose of which is to raise finance for the group's operations. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

Employee involvement

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and regular written communications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Directors

The directors of the company during the period were:

J Potter	(appointed 9 September 2015)
S Linehan	(appointed 9 September 2015)
G Reynolds	(appointed 9 September 2015)

Southwark Bridge Holdings Limited

Directors' report for the period ended 1 April 2016 (*continued*)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and 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 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

J Potter
Director
Date


3.10.2016

Southwark Bridge Holdings Limited

Independent auditor's report

TO THE MEMBERS OF SOUTHWARK BRIDGE HOLDINGS LIMITED

We have audited the financial statements of Southwark Bridge Holdings Limited for the period ended 1 April 2016 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 the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 1 April 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Southwark Bridge Holdings Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

BDO LLP

*Stephen Le Bas (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom*

Date **4/10/2016**

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 period ended 1 April 2016

	Note	Acquisitions 4.5 month period ended 1 April 2016 £
Turnover	3	14,879,471
Cost of sales		(12,920,452)
Gross profit		1,959,019
Administrative expenses		(1,155,581)
Distribution costs		(94,335)
Operating profit	4	709,103
Interest payable and similar charges	7	(56,178)
Other finance charges	8	(1,000)
Other interest receivable		2,381
Profit on ordinary activities before taxation		654,306
Taxation on profit on ordinary activities	9	(124,852)
Profit for the financial period		529,454
Other comprehensive income for the period		
Actuarial loss on defined benefit pension scheme		(419,000)
Movement of deferred tax relating to the pension deficit		81,240
Other comprehensive income for the period		(337,760)
Total comprehensive income for the period		191,694

All amounts relate to continuing activities.

The notes on pages 13 to 32 form part of these financial statements.

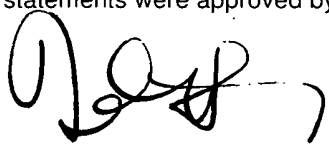
Southwark Bridge Holdings Limited

Consolidated balance sheet as at 1 April 2016

<i>Company number 09769423</i>	Note	£	£
Fixed assets			
Intangible assets	11		5,657,144
Tangible assets	12		132,410
			<hr/>
			5,789,554
Current assets			
Stock	14	4,674,154	
Debtors	15	6,426,913	
Cash at bank and in hand		279,951	
		<hr/>	
		11,381,018	
Creditors: amounts falling due within one year	16	(13,332,660)	
		<hr/>	
Net current liabilities			(1,951,642)
			<hr/>
Total assets less current liabilities			3,837,912
Creditors: amounts falling due after more than one year	17		(1,096,583)
Provisions for liabilities	19		(386,076)
			<hr/>
Net assets excluding pension liability			2,355,253
Pension liability	20		(138,000)
			<hr/>
Net assets			2,217,253
			<hr/>
Capital and reserves			
Called up share capital	21		2,025,559
Profit and loss account			191,694
			<hr/>
Shareholders' funds			2,217,253
			<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on

J Potter
Director


3.10.2016

The notes on pages 13 to 32 form part of these financial statements.

Southwark Bridge Holdings Limited

Consolidated statement of changes in equity for the period ended 1 April 2016

	Share capital £	Profit and loss account £	Total equity £
9 September 2015	-	-	-
Comprehensive income for the period:			
Profit for the period	-	529,454	529,454
Actuarial losses on pension scheme	-	(419,000)	(419,000)
Taxation in relation to other comprehensive income	-	81,240	81,240
Other comprehensive income for the period	-	(337,760)	(337,760)
Total comprehensive income for the period	-	191,694	191,694
Contributions by and distributions to owners:			
Shares issued during the period	2,025,559	-	2,025,559
Total contributions by and distributions to owners	2,025,559	-	2,025,559
1 April 2016	2,025,559	191,694	2,217,253

The notes on pages 13 to 32 form part of these financial statements.

Southwark Bridge Holdings Limited

Consolidated statement of cash flows for the period ended 1 April 2016

	Note	Period ended 1 April 2016 £
Cash flows from operating activities		
profit for the financial period		529,454
Adjustments for:		
Depreciation of tangible fixed assets	12	45,615
Amortisation of intangible fixed assets	11	143,458
Net interest expense		54,797
Taxation expense		124,852
Decrease in stock		737,846
Decrease in trade and other debtors		956,200
Decrease in trade creditors and other creditors		(214,461)
		2,377,761
Cash from operations		
Interest paid		(56,178)
Interest received		2,381
Taxation paid		(163,864)
		2,160,100
Net cash generated from operating activities		2,160,100
Cash flows from investing activities		
Purchase of subsidiary undertakings		(7,117,427)
Cash acquired with subsidiary undertaking		1,621,000
Payments to acquire tangible fixed assets	12	(78,061)
		(5,574,488)
Net cash outflow from investing activities		(5,574,488)
Cash flows from financing activities		
New bank loans		600,000
Bank loans repaid		(150,000)
Loan notes repaid		(200,000)
Issues of shares		100,000
		350,000
Net cash from financing activities		350,000
Net decrease in cash and cash equivalents		(3,064,388)
Cash and cash equivalents at beginning of period		-
		(3,064,388)
Cash and cash equivalents at end of period		(3,064,388)
Cash and cash equivalents comprise:		
Cash at bank and in hand		279,951
Invoice discounting liability		(3,344,339)
		(3,064,388)

The notes on pages 13 to 32 form part of these financial statements.

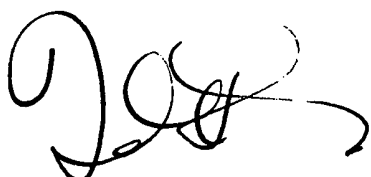
Southwark Bridge Holdings Limited

Company balance sheet as at 1 April 2016

<i>Company number 09769423</i>	Note	2016 £	2016 £
Fixed assets			
Investments	13		10,739,569
Current assets			
Debtors	15	72,000	
Cash at bank and in hand		3	
		<u>72,003</u>	
Creditors: amounts falling due within one year	16	(7,709,848)	
Net current liabilities			<u>(7,637,845)</u>
Total assets less current liabilities			<u>3,101,724</u>
Creditors: amounts falling due after more than one year	17		(1,096,583)
Provision for liabilities	19		-
Net assets			<u>2,005,141</u>
Capital and reserves			
Called up share capital	21		2,025,559
Profit and loss account			(20,418)
Shareholders' funds			<u>2,005,141</u>

The financial statements were approved by the Board of Directors and authorised for issue on

J Potter
Director



3.10.2016

The notes on pages 13 to 32 form part of these financial statements.

Southwark Bridge Holdings Limited

Company statement of changes in equity For the period ended 1 April 2016

	Share capital £	Profit and loss Account £	Total equity £
9 September 2015	-	-	-
Comprehensive income for the period:			
Loss for the period	-	(20,418)	(20,418)
Total comprehensive income for the period	-	(20,418)	(20,418)
Contributions by and distributions to owners:			
Shares issued during the period	2,025,559	-	2,025,559
Total contributions by and distributions to owners	2,025,559	-	2,025,559
1 April 2016	2,025,559	(20,418)	2,005,141

The notes on pages 13 to 32 form part of these financial statements.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements for the period ended 1 April 2016

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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.

The financial statements are prepared in sterling which is the functional currency.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Southwark Bridge Holdings Limited and its subsidiaries ("the Group") as if they formed 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 statement of financial position, 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.

Revenue

Turnover represents the value, net of 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, the distribution of premium quality food, drink and non-food products.

Tangible fixed assets

Tangible fixed assets 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 forming part of the financial statements for the period ended 1 April 2016

1 Accounting policies (*continued*)

Depreciation

Depreciation on assets is charged at the following annual rates in order to write off each asset over its estimated useful life:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'cost of sales' in the statement of comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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).

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

Goodwill

Goodwill represents the excess of 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.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements for the period ended 1 April 2016 (*continued*)

1 Accounting policies (*continued*)

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 or 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 11).

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.

Foreign currencies

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date, or if appropriate, the rate specified in any forward contract in relation to these assets/liabilities. Any differences are taken to the profit and loss account.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements for the period ended 1 April 2016 (*continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

Holiday pay accrual

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

2 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 intangibles 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.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

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 are based on industry research.

Estimated pension liabilities:

The group operates a defined benefit pension scheme, in accordance with the accounting policy as stated above. The future pension liabilities that will arise and the expected return a scheme asses are based upon various assumptions such as mortality rates, investment returns and future inflation. The calculations require the use of estimates (see note 20).

3 Analysis of turnover

	Period ended 1 April 2016 £
Analysis by geographical market:	
United Kingdom	13,083,632
Europe	1,240,107
Rest of the World	573,732
	<hr/>
	14,879,471
	<hr/>

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

4 Operating profit

Period ended
1 April
2016
£

This is arrived at after charging/(crediting):

Depreciation of tangible fixed assets	45,615
Amortisation of intangible assets	143,458
Fees payable to the company's auditor:	
- The audit of the parent company	2,000
- The audit of the company's subsidiaries	22,700
- Taxation compliance services	10,550
- Other non audit services	19,775
Hire of plant and machinery	16,485
Hire of other assets operating leases	241,006

5 Employees

Period ended
1 April
2016
£

Staff costs (including directors) consist of:

Wages and salaries	1,342,118
Social security costs	151,404
Cost of defined contribution scheme	55,409
	<u>1,548,931</u>

The average number of employees (including directors) during the period was as follows:

	Number
Management	3
Administration	46
Sales and distribution	58
	<u>107</u>

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

6 Directors' remuneration

Period ended
1 April
2016
£

Directors' emoluments	138,953
Company contributions to money purchase schemes	9,696

There were 3 directors in the group's defined contribution pension scheme.

Emoluments of the highest paid director for the period were £67,430. Company pension contributions of £4,732 were made in the period to a money purchase scheme on his behalf.

7 Interest payable and similar charges

Period ended
1 April
2016
£

Bank loans and overdrafts	22,921
Loan note interest	33,257

56,178

8 Other finance charges

Period ended
1 April
2016
£

Net charge on net defined benefit liability	1,000
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Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

9 Taxation on profit on ordinary activities

	Period ended 1 April 2016 £	Period ended 1 April 2016 £
<i>UK corporation tax</i>		
Current tax on profits for the period	126,923	
Adjustments in respect of previous periods	-	
Total current tax	126,923	
<i>Deferred tax</i>		
Origination and reversal of timing differences	(2,071)	
Pension scheme liability	-	
	(2,071)	
Taxation on profit on ordinary activities		124,852

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Period ended 1 April 2016 £
Profit on ordinary activities before tax	654,308
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25%	132,497
Effects of:	
Expenses not deductible for tax purposes	(9,310)
Effect of variable tax rates on deferred tax	1,665
Total tax charge for the period	124,852

Southwark Bridge Holdings Limited

Notes forming part of the financial statements for the period ended 1 April 2016 (*continued*)

9 Taxation on profit on ordinary activities (*continued*)

For further information on deferred tax balances see notes 15 and 19.

The Finance Act 2015 reduced the main rate of Corporation Tax from 21% to 20% with effect from 1 April 2015. In addition the Government has announced that from 1 April 2020 the Corporation Tax main rate will be further reduced to 18%. We have used a blended rate of 20.25% for the purpose of preparing the tax disclosure.

Accordingly, deferred tax balances recognised in the accounts as at the year end have been calculated as using the 18% rate.

10 Parent company loss for the period

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

11 Intangible assets

	Brand £	Customer relationships £	Goodwill on consolidation £	Trademarks £	Total £
<i>Cost or valuation</i>					
On acquisition	411,000	1,769,000	3,608,620	11,982	5,800,602
At 1 April 2016	<u>411,000</u>	<u>1,769,000</u>	<u>3,608,620</u>	<u>11,982</u>	<u>5,800,602</u>
<i>Amortisation</i>					
On acquisition	-	-	-	-	-
Provision for period	7,706	66,337	67,662	1,753	143,458
At 1 April 2016	<u>7,706</u>	<u>66,337</u>	<u>67,662</u>	<u>1,753</u>	<u>143,458</u>
<i>Net book value</i>					
At 1 April 2016	<u>403,294</u>	<u>1,702,663</u>	<u>3,540,958</u>	<u>10,229</u>	<u>5,657,144</u>

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.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

11 Intangible assets (*continued*)

Estimated useful lives of acquisition-related intangible assets:

	Term
Goodwill	Life of 20 years
Trademarks	Life of Trademark Licence
Brand	Estimate 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.

12 Tangible fixed assets

	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Total £
<i>Cost or valuation</i>				
On acquisition	11,855	27,923	60,186	99,964
Additions	4,508	31,684	41,869	78,061
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2016	16,363	59,607	102,055	178,025
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
On acquisition	-	-	-	-
Provided for in the period	4,080	12,674	28,861	45,615
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2016	4,080	12,674	28,861	45,615
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 1 April 2016	12,283	46,933	73,194	132,410
	<hr/>	<hr/>	<hr/>	<hr/>

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

13 Fixed asset investments

Group
undertakings
2016
£

Cost or valuation

Additions and at 1 April 2016

10,739,569

All investments are unlisted.

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Seebeck 114 Limited	England & Wales	100%	Intermediate holding company
<i>Indirect subsidiary undertakings</i>			
Petty, Wood & Co Limited	England & Wales	100%	Sales, marketing, warehousing and distribution of premium quality food
Food Sales Limited	England & Wales	100%	Food sales and commission agents
Seebeck 116 Limited	England & Wales	100%	Dormant
Petty Wood Group Limited	England & Wales	100%	Dormant
Brands of Distinction Limited	England & Wales	100%	Dormant
Burnt Sugar Limited	England & Wales	100%	Dormant
Epicure Limited	England & Wales	100%	Dormant
The London Town Food Group Limited	England & Wales	100%	Dormant
The London Town Chocolate Company Limited	England & Wales	100%	Dormant
The Piccadilly Tea and Produce Company Limited	England & Wales	100%	Dormant
The London Biscuit Company Limited	England & Wales	100%	Dormant
Universe Food Service Limited	England & Wales	100%	Dormant
The Skinny Foods Company Limited	England & Wales	51%	Dormant

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

14 Stock

	Group 2016 £	Company 2016 £
Finished goods and goods for resale	4,674,154	-

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

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

There are no material differences between the replacement cost of stocks and the amounts stated above.

15 Debtors

	Group 2016 £	Company 2016 £
Trade debtors	5,691,889	72,000
Prepayments and accrued income	604,487	-
Deferred tax asset	24,840	-
Other debtors	91,191	-
Corporation tax	14,506	-
	6,426,913	72,000

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

16 Creditors: amounts falling due within one year

	Group 2016 £	Company 2016 £
Bank loans	450,000	-
Invoice discounting facility	3,344,339	-
Trade creditors	6,633,784	-
Corporation tax	-	-
Taxation and social security	119,536	12,000
Other creditors	1,216,542	-
Accruals and deferred income	1,168,459	50,000
Amounts due to group undertakings	-	7,247,848
Loan notes	400,000	400,000
	13,332,660	7,709,848

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

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

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

17 Creditors: amounts falling due after more than one year

	Group 2016 £	Company 2016 £
Loan notes	1,096,583	1,096,583
The maturity of sources of debt finance is as follows:		
In one period or less, or on demand	4,194,339	400,000
In more than one period but not more than two years	600,000	600,000
In more than two years but not more than five years	496,583	496,583
	5,290,922	1,496,583

18 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2016 £	Company 2016 £
Financial assets that are debt instruments measured at amortised cost	6,063,031	72,000
Financial liabilities measured at amortised cost	(14,309,707)	(8,794,431)
	(8,246,676)	(8,722,431)

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

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

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

19 Provisions for liabilities

	Deferred Taxation £
At 9 September 2015	-
On acquisition	388,147
Credited to profit and loss in the period	(2,071)
	<hr/>
At 1 April 2016	386,076
	<hr/>

Deferred taxation

Deferred tax liabilities - Group

	2016 £
Business combinations	379,072
Accelerated capital allowances	10,279
Other timing differences	(3,275)
	<hr/>
At 1 April 2016	386,076
	<hr/>

There is no deferred tax liability in the parent company.

20 Pensions

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 £55,409. At the year end there were outstanding contributions of £18,197.

Defined benefit scheme

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 2011 and updated at 27 March 2015, 31 October 2015 and 1 April 2016 by a qualified independent actuary on an FRS 102 basis.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (continued)

20 Pensions (continued)

There were no changes to the scheme during the period. From April 2013, the pension scheme was closed to future accrual.

	1 April 2016	On acquisition 19 November 2015
Discount rate	3.40%	3.90%
Inflation assumption (RPI)	3.00%	3.10%
Inflation assumption (CPI)	2.00%	2.10%
Future pension increases	2.90%	2.90%
Increases to pension in deferment	2.00%	2.10%
Post retirement mortality assumption	S2PXA CM I 2015 1% LTR for males 1% LTR for females	S2PXA CM I 2014 1% LTR for males 1% LTR for females
Commutation	5%	5%

Under the adopted mortality tables, the future life expectancy at age 65 is as follows:

	1 April 2016 Members	On acquisition 19 November 2015 Members
Life expectancy at age 65		
Male currently aged 45	88	88
Female currently aged 45	90	90
Male currently aged 65	87	87
Female currently aged 65	89	89

Assets

The major categories of assets as a percentage of the total assets are as follows:

Asset Category	1 April 2016 %	On Acquisition 19 November 2015 %
Equities	67.3%	95.5%
Bonds	20.3%	4.2%
Cash	12.4%	0.3%
Total	100.0%	100.0%

The expected return on assets at the start of the year is a weighted average of the assumed long-term returns for the various asset classes.

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

20 Pensions (*continued*)

The actual return on the Scheme's assets (net of expenses) over the period to the Review Date was £Nil.

The assets do not include any investment in shares of the Company or property investment that is occupied by the Company.

Amounts Recognised in the Balance Sheet at 1 April 2016

	1 April 2016 £	On Acquisition 19 November 2015 £
Fair Value of Assets	13,655,000	13,295,000
Present Value of Funded Obligations	(13,793,000)	(13,013,000)
(Deficit)/asset	(138,000)	282,000
Related deferred tax asset/(liability)	24,840	(56,400)
Net pension (liability)/asset	(113,160)	225,600

Amounts recognised in the Statement of Other Comprehensive Income over the period

	1 April 2016 £
Experience gains and losses arising on the scheme liabilities	100,000
Changes in assumptions underlying the present value of the scheme liabilities	(811,000)
Actual return less interest income included in net interest income	292,000
Total amount recognised in Statement of Other Comprehensive income	(419,000)

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

20 Pensions (*continued*)

Amounts recognised in the profit and loss over the period

1 April
2016
£

Net interest (expense)/income on net defined benefit (liability)/asset

(1,000)

Total

(1,000)

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the period was:

1 April
2016
£

Fair value assets at the date of acquisition

13,295,000

Interest on assets

191,000

Benefits paid

(123,000)

Return on plan assets less interest

292,000

Fair value assets at the end of the period

13,655,000

Reconciliation of Assets and Defined Benefit Obligation (*continued*)

The change in defined benefit obligation over the period was:

1 April
2016
£

Defined benefit obligation at the date of acquisition

(13,013,000)

Interest cost

(192,000)

Benefits paid

123,000

Effect of changes in assumptions

(711,000)

(13,793,000)

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

21 Share capital

	1 April 2016 Number	1 April 2016 £
<i>Allotted, called up and fully paid</i>		
'A' ordinary shares of £1 each	100,000	100,000
'B' ordinary shares of £1 each	1,925,559	1,925,559
	<u>2,025,559</u>	<u>2,025,559</u>

On incorporation 3 ordinary shares were issued at par value.

On 19 November 2015, 99,997 ordinary shares were issued at par along with all the ordinary shares 'B' shares.

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

22 Business combinations

Acquisition of Seebeck 114 Limited and subsidiaries

On 19 November 2015 the group acquired the entire share capital of Seebeck 114 Limited for £10,739,569 paid by cash, the issue of shares and loan notes. This included the fees on acquisition of £117,427.

In calculating the goodwill arising on acquisition, the fair value of net assets of have been assessed and adjustments from book value have been made where necessary. These adjustments are summarised in the following table:

	Book value £	Fair value on acquisition £	Fair Value £
Fixed assets			
Intangible assets	11,982	2,180,000	2,191,982
Tangible assets	99,964	-	99,964
Current assets			
Stocks	5,412,000	-	5,412,000
Debtors	7,343,767	-	7,343,767
Cash at bank and in hand	1,621,000	-	1,621,000
Defined benefit pension scheme (net of deferred tax asset)	225,600	-	225,600
Total assets	<u>14,714,313</u>	<u>2,180,000</u>	<u>16,894,313</u>
Creditors: falling due within one year	(9,375,217)	-	(9,375,217)
Creditors: falling due after more than one year	-	-	-
Deferred tax	4,253	(392,400)	(388,147)
Net assets	<u>5,343,349</u>	<u>1,787,600</u>	<u>7,130,949</u>

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

22 Business combinations (*continued*)

	£
Consideration	
- Cash (including expenses of £117,427)	7,117,427
- Issue of shares	1,925,559
- Loan notes	1,696,583
	<hr/>
	10,739,569
Fair value of net assets acquired	(7,130,949)
	<hr/>
Goodwill arising on acquisition	3,608,620
	<hr/>

The revaluation of intangible fixed assets relates to the assessed fair value on acquisition of the Epicure brand and customer relationships. The deferred tax fair value adjustment relates to the intangible assets on acquisition.

The results of Seebeck 114 Limited after acquisition were as follows:

Profit and loss account

	Post acquisition 1 April 2016 £
Turnover	14,879,471
	<hr/>
Profit on ordinary activities before taxation	654,306
	<hr/>

Cash flows

The net outflow of cash arising from the acquisition of Seebeck 114 Limited was as follows:

	£
Cash consideration, as above	7,117,427
Cash acquired	(1,621,000)
	<hr/>
Net outflow of cash	5,496,427
	<hr/>

Southwark Bridge Holdings Limited

Notes forming part of the financial statements
for the period ended 1 April 2016 (*continued*)

23 Commitments under operating leases

The group had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Other 2016 £
Not later than 1 year	455,000	183,133
Later than 1 year and not later than 5 years	1,237,500	242,402
	<hr/>	<hr/>
Total	1,692,500	425,535
	<hr/>	<hr/>

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

The company had no commitments under operating leases at the balance sheet date.

24 Related party disclosures

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

25 Controlling party

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