Company Registration No: 03687861

C J BOURNE (ASSET MANAGEMENT) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

Directors:	Lady Bourne D. Hayes C.R. Lefton M. Flitterman L.S. Furman K. Cohen
Secretary:	D. Hayes
Company Number:	03687861 (England and Wales)
Registered Office:	Gardiner House 6b Hemnall Street Epping Essex CM16 4LW
Auditors:	Bright Grahame Murray Chartered Accountants & Registered Auditors Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

The directors present the strategic report for the year ended 30 June 2017.

Review of the business

The group's activities during the year continued to be those of international and domestic courier services, freight forwarding services, third party logistics and repackaging services and mailing and distribution services.

The key financial and other performance indicators during the year were as follows:-

	2017 £000s	2016 £000s	Change %
Turnover	41,450	35,632	+16%
Group operating profit	953	1,106	-14%
Profit after tax	1,378	1,908	-28%
Equity shareholders' funds	11,595	11,678	-1%
Quick ratio	174%	182%	
Average number of employees	426	450	-5%

During the year the Group disposed of its 100% shareholding in Custom Threads 2015 Limited, an embroidery and screen printing business, as it was no longer seen as part of the Group's core activities. Concentration on the Group's diverse yet inter-related logistics activities reduce the risks attached to the business and yet allow the selling of more than one service to many of the Group's clients.

The loss of revenue to the Group figures from the disposal of Custom Threads 2015 had very little impact as Group turnover increased by 16% during the year due to double digit growth in 4 of the Group's activities. The courier, freight and warehousing company in Holland increased revenue by 12%, the same activity operation in South Africa expanded by 21% both due to organic growth and by growing its warehousing business and increasing its space offered. The UK Freight company, following an exceptional year in 2016, continued its growth, this time by 20%, as major project work contributed new revenue streams and the Group expanded its market share in the export distribution of live seafood. Finally, a 72% increase in revenue was achieved in the UK's Warehousing and repackaging business with the development of significant new customers.

Total operating profit reduced by 11% to £980,000. Profit before tax declined from £2,214,000 to £1,697,000 due mainly to the previous year's figures including a one-off exceptional profit of £530,000 on the disposal of a property.

Review of the business ***(Continued)***

The net asset value of the Group decreased by 1% from £11,678,000 to £11,595,000, reflecting the profitable and growth in the Group's subsidiaries, less the dividend paid in the year.

The total number of employees fell during the year by 5%. Overall staff levels have remained fairly constant and increased revenue streams have been facilitated by subcontracting temporary staff. No significant change is expected over the coming year in these levels.

Since the Group does not manufacture products, there is minimal environmental impact. However, the Group does give consideration to such factors when selecting suppliers and also attempts to recycle as much waste product as possible.

The property investment business had a satisfactory year.

Principal risks and uncertainties

The Group Board meets regularly and considers and discusses all risks and uncertainties facing the Group across the world. Such risks are categorised as competitive, legislative and financial.

Competitive risks
Each subsidiary maintains a diverse range of customers across many industries so it is not exposed to a single sector. Competition can be keen in all areas and the Group prides itself on its high level of customer service. Very few sales contracts exist in the Group so revenue is always exposed to potential fluctuations.

Legislative risk
The Group perceives a very low risk where legislation is concerned as it is primarily a service provider. The forthcoming exit from the EU by the UK may well have an impact on the Group's operations and consideration will need to be given here with cross border movement of goods.

Financial instrument risks
The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives. The objectives aim to ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Use of derivatives
The Group uses forward foreign currency contracts when appropriate to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

Review of the business ***(Continued)***

Exposure to credit, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate and significantly long payment history and who satisfy credit worthiness procedures. Details of the Group's debtors are shown in Note 17 to the financial statements.

At the balance sheet date, no single trade debtor exceeded 5% of total debt. In extreme circumstances, the Group relies upon its Credit insurance policy.

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Group. By having no significant stock levels, the liquidity risk is reduced.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments. The group manages such a risk which is minimal by ensuring adequate banking facilities exist which are not used in the normal course of business.

Signed on behalf of the directors

D. HAYES
Director

Approved by the directors on 23rd March 2018

The directors present their report and the financial statements of C J Bourne (Asset Management) Limited for the year ended 30th June 2017.

PRINCIPAL ACTIVITY

C J Bourne (Asset Management) Limited is the holding company of the Seabourne trading group which is currently active in the fields of international and domestic courier services, freight forwarding services, third party logistics and repackaging services, mailing and distribution services. The subsidiary undertakings principally affecting the profits or net assets of the group in the year are listed in Note 14 to the financial statements.

RESULTS AND DIVIDENDS

The group trading profit for the year, after taxation was £1,378,115.

A dividend of £1,000,000 ***(2016: £500,000)*** was paid in the year.

A preference dividend of £75,000 ***(2016: £75,000)*** was paid in the year and has been disclosed within interest payable in accordance with FRS102.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities are trade and other payables and preference shares. The Group's financial assets are bank balances, cash and trade and other receivables.

The bank balances are controlled in order to ensure sufficient funds are available for the Group to meet its business needs.

The financial assets and liabilities are stated at fair value and after allowances for doubtful receivables.

DIRECTORS

The following have held office since 1st July 2016:

Lady Bourne
D. Hayes
Mrs. C.R. Lefton
Mrs. M. Flitterman
Mrs. L.S. Furman
Mrs. K. Cohen

EMPLOYEE INVOLVEMENT

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

STRATEGIC REPORT

The business review and principal risks relating to the Group have been included in the strategic report.

AUDITORS

Bright Grahame Murray are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Signed on behalf of the directors

D. HAYES
Director

Approved by the directors on 23rd March 2018

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

(a) select suitable accounting policies and then apply them consistently;

(b) make judgements and estimates that are reasonable and prudent;

(c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

(d) 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware;

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Opinion
We have audited the financial statements of C J Bourne (Asset Management) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity 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 FRS 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 30 June 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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's 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the Directors' Report.

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

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

we have not received all the information and explanations we require for our audit.

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 on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

MICHELLE COLCLOUGH (Senior Statutory Auditor)
For and on behalf of Bright Grahame Murray
Chartered Accountants & Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London SW7 4AG

Date: 27th March 2018

Company Registration Number: 03687861

C J BOURNE (ASSET MANAGEMENT) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2017

	Notes	2017	*2016*
		£	*£*
TURNOVER	3	41,449,709	*35,631,735*
Cost of sales		(25,140,180)	*(21,141,573)*
Gross profit		16,309,529	*14,490,162*
Other operating expenses (net)		(15,356,339)	*(13,383,772)*
OPERATING (LOSS)/PROFIT			
Continuing operations		1,289,645	*1,192,845*
Goodwill amortisation		(336,455)	*(86,455)*
		953,190	*1,106,390*
Profit on disposal of property		-	*529,216*
Gains arising on investments	4	269,943	*59,099*
Investment income	5	601,771	*664,951*
Interest payable	6	(127,985)	*(145,654)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	1,696,919	*2,214,002*
Taxation	9	(318,804)	*(305,731)*
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,378,115	*1,908,271*
Non controlling interest	25	(154,742)	*(187,517)*
RETAINED PROFIT FOR THE YEAR		1,223,373	*1,720,754*

All the activities of the group are classed as continuing.

The notes on pages 18 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	*2016*
	£	*£*
Profit for the financial year	1,223,373	*1,720,754*
Remeasurement of net defined benefit liability	(395,848)	*(287,174)*
Currency translation (losses)/profit on foreign currency net investments	(43,597)	*54,331*
	783,928	*1,487,911*
Tax relating to components of other comprehensive income	8,516	*29,861*
	792,444	*1,517,772*

The notes on pages 18 to 47 form part of these financial statements.

C J BOURNE (ASSET MANAGEMENT) LIMITED

CONSOLIDATED BALANCE SHEET AT 30TH JUNE 2017

	Notes	2017		*2016*	
		£	£	*£*	*£*
FIXED ASSETS					
Intangible assets	12		451,120		*789,321*
Tangible assets	13		842,534		*828,411*
Investment properties	15		2,940,573		*2,690,573*
Investments	14		4,242,501		*4,269,450*
			8,476,728		*8,577,755*
CURRENT ASSETS					
Stocks	16	55,546		*28,011*	
Debtors	17	10,597,745		*8,994,613*	
Investments	18	269,996		*236,062*	
Cash at bank and in hand		3,996,008		*4,398,321*	
		14,919,295		*13,657,007*	
CREDITORS: amounts falling due within one year	19	(8,562,823)		*(7,504,599)*	
NET CURRENT ASSETS			6,356,472		*6,152,408*
TOTAL ASSETS LESS CURRENT LIABILITIES			14,833,200		*14,730,163*
CREDITORS: amounts falling due after more than one year	20		(1,680,864)		*(1,615,604)*
NET ASSETS EXCLUDING PENSION LIABILITY			13,152,336		*13,114,559*
PENSION LIABILITY	23		(1,557,289)		*(1,436,845)*
NET ASSETS INCLUDING PENSION LIABIILTY			11,595,047		*11,677,714*
CAPITAL AND RESERVES					
Called up share capital	24		1,000,000		*1,000,000*
Profit and loss account			10,491,303		*10,698,859*
Shareholders' funds			11,491,303		*11,698,859*
Non controlling interest	25		103,744		*(21,145)*
CAPITAL EMPLOYED			11,595,047		*11,677,714*

These financial statements were approved by the directors and authorised for issue on 23rd March 2018 and are signed on their behalf by:

LADY BOURNE
Director

The notes on pages 18 to 47 form part of these financial statements

COMPANY BALANCE SHEET AT 30TH JUNE 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		3,675		3,958
Investment properties	15		2,701,000		2,451,000
Investments	14		7,255,001		7,281,951
			9,959,676		9,736,909
CURRENT ASSETS					
Debtors	17	2,188,527		2,054,001	
Investments	18	269,996		236,062	
Cash at bank and in hand		579,762		1,557,815	
		3,038,285		3,847,878	
CREDITORS: amounts falling due within one year	19	(332,952)		(158,349)	
NET CURRENT ASSETS			2,705,333		3,689,529
TOTAL ASSETS LESS CURRENT LIABILITIES			12,665,009		13,426,438
CREDITORS: amounts falling due after more than one year	20		(1,544,538)		(1,544,538)
Provisions for liabilites	23		(8,380)		(4,826)
NET ASSETS			11,112,091		11,877,074
CAPITAL AND RESERVES					
Called up share capital	24		1,000,000		1,000,000
Profit and loss account			10,112,091		10,877,074
SHAREHOLDERS' FUNDS			11,112,091		11,877,074

These financial statements were approved by the directors, and authorised for issue on 23rd March 2018 and are signed on their behalf by:

LADY BOURNE
Director

The notes on pages 18 to 47 form part of these financial statements

C J BOURNE (ASSET MANAGEMENT) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2017

	Share Capital £	Revaluation Reserve £	Profit and Loss Reserve £	Non-controlling interest £	Total £
Balance at 1st July 2015	1,000,000	285,453	9,395,634	(192,537)	10,488,550
Year ended 30th June 2016:					
Profit/(loss) for the year	-	-	1,720,754	187,517	1,908,271
Other comprehensive income:					
Currency translation	-	-	54,331	-	54,331
Net defined benefit liability	-	-	(257,313)	-	(257,313)
Total comprehensive income for the year	-	-	1,517,772	187,517	1,705,289
Dividends	-	-	(500,000)	(16,125)	(516,125)
Transfer	-	(285,453)	285,453	-	-
Balance at 30th June 2016	1,000,000	-	10,698,859	(21,145)	11,677,714
Year ended 30th June 2017:					
Profit for the year	-	-	1,223,373	154,742	1,378,115
Other comprehensive income:					
Currency translation	-	-	(43,597)	-	(43,597)
Net defined benefit liability	-	-	(387,332)	-	(387,332)
Total comprehensive income for the year	-	-	792,444	154,742	947,186
Dividends	-	-	(1,000,000)	(29,853)	(1,029,853)
Balance at 30th June 2017	1,000,000	-	10,491,303	103,744	11,595,047

The notes on pages 18 to 47 form part of these financial statements

C J BOURNE (ASSET MANAGEMENT) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

	Share Capital £	Profit and loss reserves £	Total £
Balance at 1st July 2015	1,000,000	11,044,207	12,044,207
Year ended 30th June 2016:			
Profit and total comprehensive income for the year	-	332,867	332,867
Dividends	-	(500,000)	(500,000)
Balance at 30 June 2016	1,000,000	10,877,074	11,877,074
Year ended 30th June 2017:			
Profit and total comprehensive income for the year	-	235,017	235,017
Dividends	-	(1,000,000)	(1,000,000)
Balance at 30th June 2017	1,000,000	10,112,091	11,112,091

The notes on pages 18 to 47 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

	Notes	2017 £	*2016 £*
Cash flows from operating activities	26	889,705	*1,074,655*
Interest paid		(92,111)	*(103,521)*
Income tax paid		(318,262)	*(186,295)*
Net cash inflow/(outflow) from operating activities		479,332	*784,839*
Cash flows from investing activities			
Proceeds from sale of fixed assets		21,422	*2,084,268*
Proceeds from sale of investment properties		-	*1,767,427*
Interest received		126,964	*121,458*
Rental income		264,495	*333,563*
Dividends received		210,312	*209,930*
Proceeds on disposal of investments		9,495	*24,411*
Acquisition of investments		(53,160)	*(158,270)*
Purchases of fixed assets		(329,309)	*(420,672)*
Purchases of intangible assets		(3,981)	*(57,232)*
Net cash flows from investing activities		246,238	*3,904,883*
Cash flows from financing activities			
Dividends paid		(1,029,853)	*(516,125)*
Repayments of borrowings		12,396	*(812,062)*
Repayments of obligations under finance leases		(6,726)	*(27,804)*
Net cash flows from financing activities		(1,024,183)	*(1,355,991)*
Net increase/(decrease) in cash and cash equivalents		(298,613)	*3,333,731*
Cash and cash equivalents at beginning of year		4,398,321	*1,056,224*
Effect of foreign exchange rate changes		(103,700)	*8,366*
Cash and cash equivalents at end of year		3,996,008	*4,398,321*
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		3,996,008	*4,398,321*
Cash and cash equivalents		3,996,008	*4,398,321*

The notes on pages 18 to 47 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Accounting conventions

Company information

C J Bourne (Asset Management) Limited is a company limited by shares incorporated in England and Wales. The registered office is Gardiner House, 6b Hemnall Street, Epping, Essex, CM16 4LW.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

C J Bourne (Asset Management) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it, in respect of its separate financial statements which are presented alongside the consolidated financial statements as follows:-

- the requirements of Section 7 Statement of cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

The group accounts consolidate the accounts of C J Bourne (Asset Management) Limited and its subsidiaries made up to 30th June 2017 (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. The holding company has not presented its own profit and loss account as provided by Section 408 of the Companies Act 2006.

1. ACCOUNTING POLICIES *(continued)*

1.2 Accounting convention

Basis of consolidation *(continued)*

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over 4 years
Fixtures, fittings & equipment	20 - 25% p.a. on a straight line basis
Computer equipment	20 - 25 p.a. on a straight line basis
Motor vehicles	25% p.a. on a straight line basis

1. ACCOUNTING POLICIES ***(continued)***

1.5 Tangible fixed assets ***(continued)***

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Intangible assets

Goodwill

Goodwill arising on consolidation represents the difference between the fair value of the consideration given and the fair value of the identifiable net assets acquired. The goodwill arising on the acquisition of subsidiary undertakings is charged to the profit and loss account on a straight line basis over their estimated useful economic lives of ten years. Impairment is only reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

Other intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided on a straight line basis over their useful life, as follows:-

Warehouse contract - 3 years

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1. ACCOUNTING POLICIES *(continued)*

1.8 Fixed asset investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1. ACCOUNTING POLICIES *(continued)*

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over an estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals or impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1. ACCOUNTING POLICIES ***(continued)***

1.12 Financial instruments ***(continued)***

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1. ACCOUNTING POLICIES *(continued)*

1.12 Financial instruments *(continued)*

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when the group’s contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1. ACCOUNTING POLICIES *(continued)*

1.14 Taxation *(continued)*

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1. ACCOUNTING POLICIES *(continued)*

1.16 Retirement benefits

The group operates a defined benefit pension scheme. The amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of benefit changes, settlements and curtailments. They are included as part of staff costs. The interest cost on the net defined liability is charged to profit and loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on the scheme assets (excluding amounts included in net interest on the net defined liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained annually and are updated at each balance sheet date.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1. ACCOUNTING POLICIES *(continued)*

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The exchange adjustment on translation of the group's investment in opening share capital and reserves of subsidiary companies is dealt with through reserves; all other current profits and losses are passed through the profit and loss account.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key Sources of Judgement and Estimation Uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Determining the useful economic lives of Fixed Assets

The group depreciates fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The group also take due notice of the generally accepted treatments in place within their industry when determining those useful lives.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Valuation of investment properties

As described in Note 15 investment properties are stated at fair value by the directors after taking advice from a property valuation expert. The primary source of evidence for property valuations should be recent, comparable market transactions on an arms length basis. However, the valuation of the investment properties is inherently subjective, as it is made on the basis of assumptions which may not prove to be accurate.

3. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit on ordinary activities before taxation were all derived from its principal activity as set out in the Directors' Report. The directors are of the opinion that the disclosure of the analysis of turnover by market would be prejudicial to the interests of the group.

4. GAINS ARISING ON INVESTMENTS	2017 £	*2016* *£*
Fair value gains/(losses) on financial instruments:		
Change in value of financial assets held at fair value through profit and loss	19,719	*3,678*
Other gains		
Gain on disposal of investments held at fair value	224	*5,421*
Change in the fair value of investment properties	250,000	*50,000*
	269,943	*59,099*

5. INVESTMENT INCOME	2017 £	*2016* *£*
Rental income from investment properties	264,495	*333,563*
Interest receivable	126,964	*121,458*
Dividends received	210,312	*209,930*
	601,771	*664,951*

6. INTEREST PAYABLE

	2017 £	*2016* *£*
Net return on pension scheme (Note 23)	35,874	*42,133*
On bank loans, overdrafts and other loans wholly repayable within five years	17,111	*28,521*
Finance charges on shares classed as financial liabilities	75,000	*75,000*
	127,985	*145,654*

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017 £	*2016* *£*
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for year - owned assets	313,314	*222,867*
- leased assets	87,409	*64,898*
Amortisation of intangible assets	372,020	97,841
Amortisation of unlisted investments	56,400	62,880
Operating lease rentals:		
Land and buildings	1,420,220	685,087
Plant and machinery	13,845	13,845
Pension fund deficit payment	165,020	130,700
Loss on disposal of subsidiary	27,049	-

The pension fund deficit payment was payable for the current year as the group's profit exceeded certain thresholds.

	2017 £	*2016* *£*
Fees payable to the company's auditors for the company's annual accounts	26,000	*25,000*
The audit of the company's subsidiaries	66,000	*74,450*
Total audit fees	92,000	*99,450*

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION *(continued)*

	2017	*2016*
	£	*£*
Other services		
Tax services	29,250	*42,250*
Other services	69,640	*43,780*
Non-audit fees	98,890	*86,030*

8. EMPLOYEES

The average number of persons (including directors) employed by the group during the year was:

	Group		Company	
	2017	*2016*	2017	*2016*
	No.	*No.*	No.	*No.*
Sales, distribution and Administration	426	*450*	7	*7*

Staff costs for the above persons:

	Group		Company	
	2017	*2016*	2017	*2016*
	£	*£*	£	*£*
Wages and salaries	7,910,453	*7,053,096*	561,000	*253,208*
Social security costs	836,310	*1,036,717*	76,019	*32,546*
Pension costs	674,223	*746,954*	1,620	*1,384*
	9,420,986	*8,836,767*	638,639	*287,138*

8. EMPLOYEES *(continued)*

Directors' remuneration	**Company and group**	
	2017	***2016***
	£	***£***
Emoluments (including pension contributions and benefits in kind)	571,189	***258,866***
Highest paid director	308,254	***122,678***

The directors are considered to be the company's key management personnel (see Note 29).

9. TAXATION

	2017	***2016***
	£	***£***
Current tax:		
UK corporation tax on profits of the year	2,986	***55,096***
Overseas tax	328,051	***238,853***
	331,037	***293,949***
Adjustments in respect of previous periods	10,860	***-***
Total current tax	341,897	***293,949***
Deferred tax	(23,093)	***11,782***
Total tax charge for the year	318,804	***305,731***

9. TAXATION *(Continued)*

Factors affecting tax charge for the year:

The actual charge for the year can be reconciled to the expected charge based on the profit and the standard rate of tax as follows:-

	2017	*2016*
	£	*£*
Profit before tax	1,696,919	*2,214,002*
Expected tax charge based on the standard rate of corporation tax UK of 19.75% *(2016: 20%)*	335,142	*442,800*
Effects of:		
Expenses not deductible for tax purposes	70,943	*61,316*
Utilisation of losses brought forward	(33,928)	*(290,065)*
Exchange rate difference	-	*(1,625)*
Adjustments in respect of prior year	10,860	*-*
Income not taxed	(134,929)	*(67,174)*
Increase in losses carried forward	3,052	*1,879*
Tax charged at different rates	1,911	*58,600*
Effect of overseas tax rate	65,753	*-*
Taxation charge for the year	318,804	*305,731*

10. PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

	2017	*2016*
	£	*£*
Dealt with in the financial statements of the parent company	235,017	*332,867*

11. DIVIDENDS

	2017 £	*2016 £*
Ordinary dividends paid £1 *(2016: 50p)* per share	1,000,000	*500,000*

12. INTANGIBLE FIXED ASSETS - GROUP

	Warehousing contract £	Goodwill £	Total £
Cost:			
At 1st July 2016	57,232	1,104,518	1,161,750
Exchange adjustment	8,601	34,346	42,947
Additions	3,981	-	3,981
At 30th June 2017	69,814	1,138,864	1,208,678
Amortisation:			
At 1st July 2016	7,624	364,805	372,429
Exchange adjustment	1,146	11,963	13,109
Charge for the year	22,468	349,552	372,020
At 30th June 2017	31,238	726,320	757,558
Net book value:			
At 30th June 2017	38,576	412,544	451,120
Net book value:			
At 30th June 2016	*49,608*	*739,713*	*789,321*

The company has no intangible fixed assets.

13. TANGIBLE FIXED ASSETS

GROUP	Leasehold improvement	Fixtures fittings, and equipment	Motor vehicles	Total
Cost or valuation:	**£**	**£**	**£**	**£**
At 1st July 2016	107,650	842,320	304,774	1,254,744
Exchange adjustment	-	53,466	13,927	67,393
Additions	3,950	171,712	153,647	329,309
Disposals	-	(19,192)	(82,236)	(101,428)
At 30th June 2017	111,600	1,048,306	390,112	1,550,018
Depreciation:				
At 1st July 2016	9,279	380,277	36,777	426,333
Exchange adjustment	-	35,808	1,145	36,953
Charged in the year	14,781	200,868	108,555	324,204
Disposals	-	(19,192)	(60,814)	(80,006)
At 30th June 2017	24,060	597,761	85,663	707,484
Net book value:				
At 30th June 2017	87,540	450,545	304,449	842,534
Net book value:				
At 30th June 2016	*98,371*	*462,043*	*267,997*	*828,411*

Included in tangible fixed assets are assets with a net book value of £163,419 (***2016: £142,295)*** in respect of assets held under hire purchase contracts. The depreciation charged to the financial statements in the year in respect of such assets amounted to £87,409 ***(2016: £64,898)***.

13. TANGIBLE FIXED ASSETS (continued)

COMPANY	**Office Equipment**
Cost:	**£**
At 1st July 2016	19,120
Additions	1,310
At 30th June 2017	20,430
Depreciation:	
At 1st July 2016	15,162
Charged in the year	1,593
At 30th June 2017	16,755
Net book value:	
At 30th June 2017	3,675
Net book value:	
At 30th June 2016	3,958

14. FIXED ASSET INVESTMENTS

GROUP	**Unlisted Investments**
	£
Cost or valuation:	
At 1st July 2016	4,353,451
Additions	30,450
Disposals	(27,400)
At 30th June 2017	4,356,501
Amortisation:	
At 1st July 2016	84,000
Charged in the year	56,400
Disposals	(26,400)
At 30th June 2017	114,000
Net book value:	
At 30th June 2017	4,242,501
Net book value:	
At 30th June 2016	***4,269,451***

14. FIXED ASSET INVESTMENTS (continued)

COMPANY	Subsidiary undertakings £	Unlisted investments £	Total £
Cost or valuation:			
At 1st July 2016	3,012,500	4,353,451	7,365,951
Additions	-	30,450	30,450
Disposals	-	(27,400)	(27,400)
At 30th June 2017	3,012,500	4,356,501	7,369,001
Amortisation:			
At 1st July 2016	-	84,000	84,000
Charged in the year	-	56,400	56,400
Disposals	-	(26,400)	(26,400)
At 30th June 2017	-	114,000	114,000
Net book value:			
At 30th June 2017	3,012,500	4,242,501	7,255,001
Net book value:			
At 30th June 2016	*3,012,500*	*4,269,451*	*7,281,951*

14. FIXED ASSET INVESTMENTS (continued)

Details of the company's subsidiaries at 30th June 2017 are as follows:

	Country of registration/ Incorporation	Class of shares held	Proportion of shares Held	Nature of Business
Seabourne Holdings Limited	England	Ordinary	100%	Group management
Seabourne Forwarding Limited	England	Ordinary	*90%	Freight forwarding Service
Seabourne Supply Chain & Solutions Limited	England	Ordinary	*90%	Third party logistics
Seabourne Group Limited	England	Ordinary	*90%	Express courier Service
Seabourne Express Courier SAS	France	Ordinary	*81%	Express courier Service
Seabourne Express Courier BV	Netherlands	Ordinary	*88%	Express courier Service
Seabourne Express Couriers GmbH	Germany	Ordinary	*90%	Express courier Service
Seabourne Inxpress (Pty) Limited	South Africa	Ordinary	*63%	Express courier Service
Putney Freeholds Limited	England	Ordinary	100%	Property investors
PLI (International) Limited	England	Ordinary	*81%	Mailing and distribution

*indirect holding

15. INVESTMENT PROPERTIES

GROUP	2017	*2016*
	£	*£*
Fair value at 1st July 2016	2,690,573	*4,408,000*
Disposals	-	*(1,767,427)*
Revaluation	250,000	*50,000*
At 30 June 2017	2,940,573	*2,690,573*

The group's investment properties were valued by the directors on an open market value as at 30th June 2017 at £2,940,573 *(2016: £2,690,573)*.

The historical cost of the investment properties to the group at 30th June 2017 was £2,930,146 *(2016: £2,930,146)*.

COMPANY	2017	*2016*
	£	*£*
Fair value at 1st July 2016	2,451,000	*4,168,427*
Disposals	-	*(1,767,427)*
Revaluation	250,000	*50,000*
At 30 June 2017	2,701,000	*2,451,000*

The company's investment properties were valued by the directors on an open market value as at 30th June 2017 at £2,701,000 *(2016: 2,451,000)*.

The historical cost of the investment properties to the company at 30th June 2017 was £2,043,863 *(2016: £2,043,863)*.

16. STOCKS

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Raw materials	55,546	*28,011*	-	*-*

17. DEBTORS

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Trade debtors	6,895,113	*6,026,394*	2,500	*-*
Other debtors	1,476,833	*1,610,132*	742,742	*1,091,216*
Prepayments and accrued income	584,956	*419,665*	115,548	*143,994*
Related party debtors (Note 29)	1,243,392	*572,628*	1,243,392	*572,628*
Deferred taxation (Note 22)	397,451	*365,794*	-	*-*
Amounts owed by group Undertakings	-	*-*	84,345	*246,163*
	10,597,745	*8,994,613*	2,188,527	*2,054,001*

The debtors above include the following amounts falling due over more than one year:-

Other debtors	345,545	*18,920*	3,250	*3,250*

18. INVESTMENTS

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Listed investments measured at fair value through profit and loss	269,996	*236,062*	269,996	*236,062*

19. CREDITORS: amounts falling due within one year

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Obligations under finance leases and hire purchase contracts (Note 21)	22,028	*81,618*	-	*-*
Trade creditors	5,114,993	*4,419,404*	36,415	*40,217*
Amounts owed to group undertakings	-	*-*	54,732	*28,903*
Corporation tax	116,809	*93,174*	-	*20,692*
Other taxation and social security costs	1,458,185	*1,343,991*	23,545	*-*
Other creditors	969,271	*1,158,907*	151,022	*1,693*
Accruals and deferred income	881,537	*407,505*	67,238	*66,844*
	8,562,823	*7,504,599*	332,952	*158,349*

20. CREDITORS: amounts falling due in more than one year

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Shares classed as financial liabilities	1,000,000	*1,000,000*	1,000,000	*1,000,000*
Other loans	556,934	*544,538*	544,538	*544,538*
Obligations under hire purchase contracts (Note 21)	123,930	*71,066*	-	*-*
	1,680,864	*1,615,604*	1,544,538	*1,544,538*

Other loans are secured on the relevant investment property where interest is based on a variable rate.

Cumulative irredeemable preference shares carry an entitlement to a dividend at the rate of 7.5p per share per annum payable in equal instalments on 30th June and 31st December. Holders of the irredeemable preference shares have the right on a winding up to receive a distribution in priority to any other classes of shares, together with any arrears of dividend.

21. COMMITMENTS UNDER FINANCE LEASES

Future commitments under finance leases are repayable as follows:-

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
Less than one year	22,028	*81,618*	-	*-*
Two to five years	123,930	*71,066*	-	*-*
	145,958	*152,684*	-	*-*

22. DEFERRED TAXATION

The movement in the deferred taxation account during the year was:

	Group		Company	
	2017	*2016*	2017	*2016*
	£	£	£	£
(Asset)/provision brought forward	(365,794)	*(347,715)*	4,826	*3,701*
Profit and loss account movement arising during the year	(23,093)	*11,782*	3,554	*1,125*
Exchange adjustment	499	*-*	-	*-*
Deferred tax arising in relation to retirement obligations	(8,516)	*(29,861)*		*-*
Disposals	(547)	*-*	-	*-*
(Asset)/provision carried forward	(397,451)	*(365,794)*	8,380	*4,826*

22. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	***2016***	**2017**	***2016***
	£	**£**	**£**	**£**
Accelerated capital allowances	(4,052)	***(22,865)***	289	***253***
Retirement obligations	(295,885)	***(287,369)***	-	***-***
Other timing differences	(87,314)	***(45,360)***	8,091	***4,573***
Losses available	(10,200)	***(10,200)***	-	***-***
	(397,451)	***(365,794)***	8,380	***4,826***

23. RETIREMENT BENEFITS

The group operates a defined benefit scheme for qualifying employees of its subsidiaries. The most recent actuarial valuation was carried out at 30th June 2017.

Financial assumptions

The financial assumptions employed in the valuation of the defined benefit liabilities arising on pension plans are as follows:-

	2017	***2016***
	Years	***Years***
Active Retirement Age	65	***65***
	%	***%***
Rate of benefit increase – in payment	3.60	***3.20***
Discount rate	2.60	***2.80***

23. RETIREMENT BENEFITS *(continued)*

Mortality assumptions:

The mortality assumptions employed in determining the present value of the plan liabilities under Section 28 are in accordance with the underlying funding valuations and have been determined based on actuarial best practice, taking account of mortality experience and industry circumstances. The rates are based on the most up-to-date mortality tables, which in the case of non-pensioners are AMOO and AFOO tables for assured lives and in the case of pensioners are S2 PMA and S2PFA tables for pensioners. Based on these tables, the assumed life expectations on retirement are:-

	2017		2016	
	Male Years	**Female Years**	**Male Years**	**Female Years**
Pensioners	22.1	23.6	*22.5*	*23.9*
Non-pensioners	23.5	24.5	*24.2*	*25.0*

	2017 £	***2016*** £
The amounts recognised in the profit and loss account are as follows:-		
Net interest costs	(205,272)	*(242,442)*
Expected return on scheme assets	169,398	*200,309*
Net interest cost included in interest payable	(35,874)	*(42,133)*

Actuarial gains and losses recognised in other comprehensive income:-

	2017 £	***2016*** £
Actuarial return on scheme assets	346,963	*620,434*
Less: Amounts included in net interest on the net deferred liability	(169,398)	*(200,309)*
	177,565	*420,125*
Other actuarial gains and losses	(503,061)	*(766,098)*
Liabilities (introduced)/extinguished on settlement	(70,352)	*58,799*
Total remeasured losses recognised in other comprehensive Income	(395,848)	*(287,174)*

23. RETIREMENT BENEFITS *(continued)*

The amount included in the balance sheet arising from the Group's obligations are as follows:	2017 £	2016 £
Present value of defined funded obligations	(8,287,144)	*(7,457,803)*
Fair value of plan assets	6,729,855	*6,020,958*
Net liability recognised in the balance sheet	(1,557,289)	*(1,436,845)*

Movements in the present value of defined benefit obligations were as follows:-	2017 £	2016 £
Beginning of the period	7,457,803	*6,974,218*
Interest cost	205,272	*242,442*
Benefits paid	(253,372)	*(206,456)*
Actuarial (gains) and losses	503,061	*766,098*
Liabilities (introduced)/extinguished on settlements	374,380	*(318,499)*
At the end of the period	8,287,144	*7,457,803*

Movements in the fair value of the scheme assets were as follows:-	2017 £	*2016* *£*
Beginning of the period	6,020,958	*5,686,680*
Interest income	169,398	*200,309*
Employer's contributions	311,278	*180,000*
Benefits paid	(253,372)	*(206,456)*
Actuarial gain and losses on assets	177,565	*420,125*
Assets received/(distributed) on settlements	304,028	*(259,700)*
At the end of the period	6,729,855	*6,020,958*

23. RETIREMENT BENEFITS *(continued)*

The analysis of the scheme assets at the balance sheet date was as follows:-	2017 %	*2016 %*
Equity	36	*36*
Debt instruments	31	*31*
Property	12	*11*
Cash	2	*1*
Annuity policies	19	*21*
	100	*100*

The group has agreed to make payments of £344,442 in the year ending 30 June 2018.

24. SHARE CAPITAL

	2017 No.	*2016 No.*	2017 £	*2016 £*
Authorised				
7.5% irredeemable cumulative Preference shares of £1 each	1,000,000	*1,000,000*	1,000,000	*1,000,000*
Ordinary shares of £1 each	4,000,000	*4,000,000*	4,000,000	*4,000,000*
	5,000,000	*5,000,000*	5,000,000	*5,000,000*
Issued and fully paid				
Equity shares				
Ordinary shares of £1 each	1,000,000	*1,000,000*	1,000,000	*1,000,000*
Shares classed as financial Liabilities				
Preference shares of £1 each	1,000,000	*1,000,000*	1,000,000	*1,000,000*

25. NON CONTROLLING INTEREST – GROUP

	2017 £	*2016 £*
At 1st July 2016	(21,145)	*(192,537)*
Share of profit/(loss) after taxation	154,742	*187,517*
Dividends paid	(29,853)	*(16,125)*
At 30th June 2017	103,744	*(21,145)*

26. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by Operations:-

	2017 £	*2016 £*
Operating profit	953,190	*1,106,390*
Adjustment for:		
Depreciation and amortisation	752,624	*456,110*
Profit/(loss) on sale of tangible fixed assets	-	*(2,061)*
Operating cash flow before movement in working capital	1,705,814	*1,560,439*
(Increase)/decrease in stocks	(27,535)	*(6,507)*
(Increase)/decrease in debtors	(1,571,475)	*(692,248)*
Increase/(decrease) in creditors	1,094,179	*392,971*
Adjustment for pension funding	(311,278)	*(180,000)*
Cash generated/(utilised) by operations	889,705	*1,074,655*

27. COMMITMENTS UNDER OPERATING LEASES

At 30th June 2017 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2017 £	*2016 £*	2017 £	*2016 £*
Expiring within one year	326,378	*342,660*	13,000	*13,000*
Expiring in the second to fifth year	1,077,211	*1,253,928*	12,715	*25,715*
Expiring after five years	594,104	*959,156*	-	*-*
	1,997,693	*2,555,744*	25,715	*38,715*

The majority of the group's leases of land and buildings are subject to rent review periods ranging between three and ten years.

28. CONTINGENT LIABILITIES

(a) The group has issued guarantees in the United Kingdom to a maximum of £250,000 *(2016: £250,000).*

(b) Certain companies are part of a corporate accounting agreement whereby they cross guarantee any indebtedness to their bankers and grant rights of set off. The amount owed to the Group's bankers under the composite accounting agreement as at 30 June 2017 was £Nil *(2016: £Nil)*.

29. RELATED PARTY TRANSACTIONS

The group received a management charge of £360,000 *(2016: £340,000)* from Conduit Street Holdings Limited, a company which has common directors and where Lady Bourne has a material interest as shareholder. The group received interest of £17,764 from Conduit Street Holdings Limited in the year. Debtors due within one year includes £1,243,392 *(2016: £572,628)* due from Conduit Street Holdings Limited.

Unlisted investments include £4,000,000 *(2016: £4,000,000)* held in preference shares in Conduit Street Holdings Limited. Dividends of £200,000 were received in the year.

Dividends of £899,000 were paid to the Sir Clive Bourne Share Fund, £1,000 to Lady Bourne and £100,000 to the Sir Clive Bourne Family Trust where certain directors are trustees.

Key management personnel compensation

The company's key management personnel are considered to be the directors. Their compensation during the year was as follows:-

	2017	*2016*
	£	£
Short term benefits	570,229	*258,122*
Post employment benefits	960	*744*
	571,189	*258,866*

30. CONTROLLING PARTY

The ultimate controlling party is the Sir Clive Bourne Share Fund, in which Lady Bourne has an interest in possession.