

NAPIER BROWN HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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NAPIER BROWN HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	P G Ridgwell A P Ridgwell A S P Drake
COMPANY SECRETARY	A P Ridgwell
REGISTERED NUMBER	200917
REGISTERED OFFICE	International House 1 St Katherine's Way London E1W 1XB
INDEPENDENT AUDITORS	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY

NAPIER BROWN HOLDINGS LIMITED

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NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

Napier Brown Holdings Limited has continued to maintain its policy of diversification through the major asset classes available and where possible we are looking to seek a sensible risk-adjusted return above inflation.

BUSINESS REVIEW

For the financial year ending 31 March 2016 the company produced a profit after tax of £823,000 (2015: £1,961,000). The company continued with its commitment to the property sector and in addition, we introduced secured lending on property transactions where a first or second charge over the asset could be taken and a sensible loan to value could be achieved. We believe the banks' lack of capital and desire or ability to lend has opened up opportunities for those with capital to achieve a sensible risk-adjusted return.

Private Equity investment also remains a space the group wishes to pursue with the well-known larger US private equity funds, principally accessed through the respective wealth management arms in the leading banks.

Hedge Funds are likely to play a smaller role in the group's diversified approach to investments as the individual managers are finding it harder and harder to produce returns that warrant the traditional 2% management fee and 20% performance fee in a low interest environment.

As a company we have no direct fixed income exposure and it can be argued that this has been a failing over the last 18 months, though with developed government debt markets offer negative returns. It is very difficult to invest with the expectation of locking in a loss should you hold the bond until maturity.

The company will continue to pursue a diversified investment policy utilising financial instruments to reduce market exposure in 2016/17 in what may be interesting times following the Brexit vote and the forthcoming US Presidential elections.

DIRECTORS

The directors who served during the year were:

P G Ridgwell
A P Ridgwell
A S P Drake

NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of foreign exchange risk, interest rate risk and impairment risk on investments. The company uses both derivative financial instruments and forward currency contracts to manage its foreign exchange and interest rate risks. The directors have delegated this responsibility to the treasury director who acts within agreed Board parameters. Impairment risk on investments is managed through diversification of the investment portfolio and the use of professional managers.

DISCLOSURE OF INFORMATION TO AUDITORS


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

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

AUDITORS

A resolution to re-appoint Nexia Smith & Williamson will be proposed at the next Annual General Meeting.

This report was approved by the board on 30 September 2016 and signed on its behalf.


A-S P Drake
Director

NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

NAPIER BROWN HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NAPIER BROWN HOLDINGS LIMITED

We have audited the financial statements of Napier Brown Holdings Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 24. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 company's affairs as at 31 March 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NAPIER BROWN HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NAPIER BROWN HOLDINGS LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Nexia Smith & Williamson

Sancho Simmonds
Senior statutory auditor

for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: *30 September 2016*

NAPIER BROWN HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £000	2015 £000
TURNOVER	1,3	1,426	1,229
Administrative expenses		(1,407)	(1,859)
OPERATING PROFIT/(LOSS)	4	19	(630)
Profit on disposal of investments		1,983	3,144
Interest receivable and similar income	7	398	844
Interest payable and similar charges	8	(1,813)	(596)
Fair value (loss)/gain on investments	11	(328)	1,499
Fair value gain/(loss) on forward currency contracts		500	(2,474)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		759	1,787
Tax on profit on ordinary activities	9	64	174
PROFIT FOR THE FINANCIAL YEAR		823	1,961
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		823	1,961

All amounts relate to continuing operations.

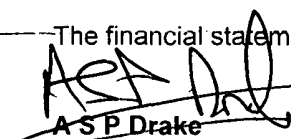
The notes on pages 8 to 24 form part of these financial statements.

NAPIER BROWN HOLDINGS LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	10		5		5
Investments	11		89,153		80,727
			89,158		80,732
CURRENT ASSETS					
Debtors	12	1,703		3,829	
Cash at bank	13	1,944		753	
		3,647		4,582	
CREDITORS: amounts falling due within one year	14	(12,691)		(13,098)	
NET CURRENT LIABILITIES			(9,044)		(8,516)
TOTAL ASSETS LESS CURRENT LIABILITIES			80,114		72,216
CREDITORS: amounts falling due after more than one year	15		(38,765)		(31,659)
Deferred Tax Liabilities	16		(655)		(686)
NET ASSETS			40,694		39,871
CAPITAL AND RESERVES					
Called up share capital	17		4,376		4,376
Share premium account			775		775
Other reserves			6,172		6,172
Revaluation Reserve			7,604		6,802
Retained Earnings			21,767		21,746
SHAREHOLDERS' FUNDS			40,694		39,871

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


A S P Drake
 Director

The notes on pages 8 to 24 form part of these financial statements.

NAPIER BROWN HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £000	Share premium account £000	Other reserves £000	Revaluation reserve £000	Retained Earnings £000	Total £000
Balance at 1 April 2014	4,376	775	6,172	7,675	18,912	37,910
Profit for the financial year	-	-	-	(873)	2,834	1,961
Balance at 31 March 2015	4,376	775	6,172	6,802	21,746	39,871
Profit for the financial year	-	-	-	802	21	823
Balance at 31 March 2016	4,376	775	6,172	7,604	21,767	40,694

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below.

1.1 Basis of preparation of financial statements

Napier Brown Holdings Limited is a private limited company incorporated in England and Wales. The address of the registered office is International House, 1 St Katherine's Way, London, E1W 1XB.

These financial statements are the first annual financial statements of the company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." The first date at which FRS 102 was applied was 1 April 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 24.

Transition exemptions

In preparing the financial statements of the company, the following transition exemption in FRS 102 have been adopted:

- Lease incentives

Further detail is provided within the relevant accounting policies set out below.

The company's functional currency and reporting currency is Pounds Sterling

1.2 Going Concern

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show the company should be able to operate within its available resources.

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

1.3 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.4 Turnover

Turnover comprises investment income, including interest receivable except for bank interest. It also includes rental income from investment properties. Rental income from investment properties is recognised on a straight line basis over the lease term.

1.5 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at rates applying at the date of the transaction.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	4 years
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1.8 Impairment of non-financial assets

At each balance sheet date, tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

1.9 Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.10 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value.

Any surplus or deficit on revaluation is recognised in the statement of comprehensive income and transferred to the revaluation reserve.

No depreciation or amortisation is provided in respect of the freehold and long leasehold investment properties where the lease has over 20 years to the date of expiry. Although this is in accordance with FRS 102 it represents a departure from the Companies Act 2006, which requires the systematic annual depreciation of fixed assets. The directors believe that it is inappropriate to charge depreciation or amortisation because the properties are held for their investment potential and the departure is therefore necessary in order for the accounts to give a true and fair view.

1.11 Other fixed asset investments

Other fixed asset investments include both quoted and unquoted investments in securities.

Quoted investments are initially recorded at the transaction price and subsequently measured at fair value with any movements in fair value recognised in the statement of comprehensive income.

Unquoted investments with no readily ascertainable market value are initially recorded at the transaction price and subsequently measured at historic cost less impairment. Any impairment losses are recognised in the statement of comprehensive income. Where an unquoted investment has a readily ascertainable market value, the investment is recorded at the transaction price and subsequently measured at fair value with any movements in fair value recognised in the statement of comprehensive income.

1.12 Taxation

The current tax charge is based on the taxable profit for the year. Taxable profits differ from the results owing to timing differences as well as items that are not taxable. The company's liability for current tax is calculated using rates that have been substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is recognised on fair value movements in investment property and other fixed asset investments and recognised in the statement of comprehensive income.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.12 Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle on a net basis.

1.13 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

The company uses forward currency exchange contracts, to reduce exposure to foreign exchange risk. Forward currency exchange contracts are initially recognised at fair value at the date the contract is entered into and subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the company, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are only offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

a) Judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i) Recognition of investment property transactions

Property transactions are complex in nature and can be material to the financial statements. Assessment is required to determine the most appropriate accounting treatment of assets acquired and of potential contractual arrangements in the legal documents for both acquisitions and disposals. Management consider each transaction separately and, when considered appropriate, seek independent accounting advice.

ii) Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

b) Key sources of estimation uncertainty

i) Market valuation of investment properties

In preparing these financial statements, the key accounting judgement relates to the carrying value of the properties, which are stated at fair value at amounts disclosed in note 11. The company uses external professional advice in determining relevant amounts. The primary source of evidence for property valuations should be recent, comparable market transactions on an arms-length basis. However, the valuation of the company's property is inherently subjective, as it is made on the basis of assumptions made by the Directors which may not prove to be accurate.

ii) Unquoted investments

Where unquoted investments have no readily ascertainable market value the Directors review the carrying value for impairment. The review performed by the Directors is inherently subjective, as it is made on assumptions made by the Directors which may not prove to be accurate.

3. TURNOVER

All turnover arose within the United Kingdom.

4. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2016	<i>2015</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the company	2	1
Auditors' remuneration	28	26
Directors' emoluments	261	<i>308</i>

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5. STAFF COSTS

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

	2016	2015
	£000	£000
Wages and salaries	354	620
Social security costs	46	82
Other pension costs	90	171
	490	873

The average monthly number of employees, including the directors, during the year was 6 (2015: 5).

6. DIRECTORS' REMUNERATION

	2016	2015
	£000	£000
Remuneration	297	351
Company pension contributions to defined contribution pension schemes	40	80

The highest paid director received remuneration of £193,000 (2015 - £196,000).

During the year retirement benefits were accruing to 1 director (2015 - 2) in respect of defined contribution pension schemes.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£000	£000
Gain on foreign exchange	-	698
Other interest receivable	398	146
	398	844

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£000	£000
On bank loans	-	1
On other loans	547	595
Loss on foreign exchange	1,266	-
	1,813	596

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9. TAXATION

	2016 £000	2015 £000
Analysis of tax charge/(reversal in the year)		
<i>Current taxation</i>		
UK corporation tax charge on profit/loss for the year	-	150
Corporation tax in respect of prior periods	(122)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(122)	150
	<hr/>	<hr/>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	58	(324)
	<hr/>	<hr/>
	(64)	(174)
	<hr/>	<hr/>

Factors affecting tax charge for the year

	2016 £000	2015 £000
Profit on ordinary activities before tax	759	1,787
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	151	375

Effects of:

Expenses not deductible for tax purposes	52	5
Utilisation of tax losses	-	(181)
Short term timing difference	-	127
Other permanent differences	1	(354)
Income not chargeable for tax purposes	(406)	(267)
Adjustments to tax charge in respect of previous periods	(122)	-
Adjustments to tax charge in respect of previous periods – deferred tax	(66)	-
Adjust closing deferred tax to average rate of 20%	191	-
Deferred tax not recognised	167	-
Capital gains on realisation of investments	(32)	121

Tax charge for the year	(64)	(174)
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Factors that may affect future tax charges

The company has carried forward tax losses as set out in note 16 which may impact future tax charges.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. TANGIBLE FIXED ASSETS

	Fixtures & fittings £000
Cost	
At 1 April 2015	120
Additions	<u>2</u>
At 31 March 2016	<u>122</u>
Depreciation	
At 1 April 2015	115
Charge for the year	<u>2</u>
At 31 March 2016	<u>117</u>
Net book value	
At 31 March 2016	<u><u>5</u></u>
At 31 March 2015	<u><u>5</u></u>

11. FIXED ASSET INVESTMENTS

	2016 £000	2015 £000
Subsidiary undertakings	16,817	16,817
Investment properties	6,688	6,688
Other fixed asset investments	<u>65,648</u>	<u>57,222</u>
	<u>89,153</u>	<u>80,727</u>

a) Subsidiary undertakings

At 31 March 2016 the company owned 100% of the ordinary shares in each of its subsidiaries, incorporated in the United Kingdom. The aggregate amount of capital and reserves and the results for the financial year were as follows:

Subsidiaries	Capital and reserves	Profit/(loss) for the year
NB Ingredients Limited	13,343	-
NB Chilled Limited	-	-
Stapehill Enterprises Limited (at 31 March 2015)	4,934	(83)
NB Food Technology Limited	-	-
NB Fruit Limited	4,591	-
CPP Limited	1,503	-
General Sugar Traders Limited	1,093	-
A de Schapp Limited	-	-

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. FIXED ASSET INVESTMENTS (continued)

a) Subsidiary undertakings (continued)

	Investment in subsidiaries £'000
Cost	
At 1 April 2015 and 31 March 2016	24,856
Accumulated impairment	
At 1 April 2015 and 31 March 2016	(8,039)
Net Book Value	
At 1 April 2015 and 31 March 2016	16,817

b) Investment Properties

The investment properties, valued by directors, are stated at the open market value as at 31 March 2016. The historic cost of the investment properties is £6,688,000.

c) Other fixed asset investments

	Unquoted investments £'000	Managed funds £'000	Total £'000
Valuation			
At 1 April 2015	13,211	44,011	57,222
Additions	8,009	6,837	14,846
Disposals	(2,840)	(3,252)	(6,092)
Fair value loss on investments	(132)	(196)	(328)
At 31 March 2016	18,248	47,400	65,648

12. DEBTORS

	2016 £000	2015 £000
Amounts owed by group undertakings	-	12
Other debtors	1,487	3,506
Prepayments	26	31
Deferred tax asset (note 16)	190	280
	1,703	3,829

13. CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank	1,944	753

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Bank loans and overdrafts	11,301	10,844
Trade creditors	27	20
Other creditors	11	190
Accruals and deferred income	294	486
Fair value liability on forward currency contracts	1,058	1,558
	12,691	13,098

15. CREDITORS: Amounts falling due after more than one year

	2016	2015
	£000	£000
Bank loans	1,600	1,700
Other loans to related undertakings (note 22)	23,341	16,374
Amounts owed to group undertakings	6,121	6,121
Accrued interest to related undertakings (note 22)	7,703	7,464
	38,765	31,659

Included within the above are amounts falling due as follows:

	2016	2015
	£000	£000
Between one and two years		
Bank loans	300	100
Other loans	23,341	16,374
	1,300	300
Over five years		
Bank loans	-	1,300
	-	1,300

Creditors include amounts not wholly repayable within 5 years as follows:

	2016	2015
	£000	£000
Repayable by instalments	-	1,300
Repayable other than by instalments	7,703	7,464
	7,703	8,764

The other loans are unsecured and include a loan provided by Ridgwell Grandchildren Settlement Trust (RGST), which is a related party. The loan is repayable in 2017 and interest is payable at 1% above Bank of England base rate. Further other loans to subsidiaries are interest free also repayable in 2017.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. DEFERRED TAX

a. Deferred tax asset

	2016 £000	2015 £000
Deferred tax liability on revaluation of investments	(966)	(988)
Deferred tax asset on capital losses available	1,805	2,399
	839	1,411
Unprovided deferred tax asset	839	1,411
Deferred tax asset on forward currency contracts (note 12)	190	280

b. Deferred tax liability

	2016 £000	2015 £000
At 1 April 2015	686	730
Deferred tax charge on revaluation of investments	(31)	121
Deferred tax credit on forward currency contract	-	(165)
	655	686
At 31 March 2016	655	686

17. SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid	£000	£000
16,496,000 - A Ordinary shares of 25p voting shares of £0.25 each	4,124	4,124
1,008,000 - B Ordinary share of 25p voting shares of £0.25 each	252	252
	4,376	4,376
	4,376	4,376

18. RESERVES

Share premium Reserve

The share premium reserve represents the excess of the price of shares issued over their nominal value net of issue costs.

Other Reserve

The other reserve represents the company's cumulative excess capital arising from historic reconstructions.

Revaluation Reserve

This reserve relates to the cumulative revaluation of investments and related deferred taxation.

Retained Earnings

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. FINANCIAL INSTRUMENTS

	2016 £000	2015 £000
<i>Financial assets held at undiscounted cost:</i>		
Other debtors	1,487	3,506
Unquoted investments	18,248	13,211
Cash and cash equivalents	1,944	753
	21,679	17,470
<i>Financial assets held at fair value through profit and loss:</i>		
Quoted investments	47,400	44,011
<i>Financial liabilities held at undiscounted cost:</i>		
Trade and other creditors	38	210
Accruals (excluding deferred income)	294	486
	332	696
<i>Financial liabilities held at fair value through profit and loss:</i>		
Fair value liability on forward currency contracts	1,058	1,558
<i>Financial liabilities held at amortised cost:</i>		
Bank loans	12,901	12,544
Other loans to related undertakings	23,341	16,374
Amounts owed to group undertakings	6,121	6,121
Accrued interest	7,703	7,464
	50,066	42,503

20. CAPITAL COMMITMENTS

The Company has over the last 10 years invested in a series of private equity programmes. These investments are typically held for some 10-12 years with capital drawdown by the manager as required and usually in the first five years.

Napier Brown Holdings currently has £3.8 million (2015: £4.4 million) that may be drawn by the various managers over the next 5-6 years. Historically these managers draw down no more than 80% of the commitment.

21. OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Expiry date:		
Within 1 year	53	53
Between 2 and 5 years	159	212
	212	265

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. PENSION COMMITMENTS

The Company participates in the Napier Brown Retirement Benefits Plan, a multi-employer defined benefit scheme which Napier Brown Foods plc took responsibility for, at the time of a group reorganisation on 18 December 2003. The last formal valuation of the scheme was performed at 31 March 2012 in accordance with the scheme funding requirements of the Pensions Act 2004. The fair value of the Scheme's assets at the 31 March 2012 was £16.005 million and there was an actuarial surplus of £96,000. The estimated fair value as at 31 March 2016 was £15.013 million (2015: £16.111 million) and there was an actuarial deficit of £6.081 million (2015: £5.688 million).

The scheme was closed to new members from 1 June 2000 and the scheme ceased accrual of benefits from 5 April 2004. Therefore the Company is making no continuing contributions to the Scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers of the Scheme.

Since 2004, the company has operated a money purchase scheme on behalf of its employees, the costs of which are disclosed in note 5.

23. RELATED PARTY TRANSACTIONS

P G Ridgwell and A P Ridgwell, directors of Napier Brown Holdings Limited, control the company as a result of controlling directly and indirectly 95.37% of the issued share capital of the company at 31 March 2016. P G Ridgwell and A P Ridgwell are trustees of RGST which owns 88.46% of the ordinary shares of the Company.

During the year ended 31 March 2016 Napier Brown Holdings Limited charged Stapehill Enterprises Limited, a subsidiary of the company, £1,200 (2015: £4,000) in relation to payroll and accounting services. During the year Stapehill Enterprises Limited provided a loan to the company of £4,219,351 (2015: £nil).

During the year ended 31 March 2016 interest of £257,000 (2015: £258,000) was accrued by Napier Brown Holdings Limited in respect of its borrowings from RGST.

The related party balances outstanding at 31 March 2016 and the transactions for the year then ended were:

	2016	<i>2015</i>
	£000	<i>£000</i>
Loan from RGST	15,375	<i>16,374</i>
Loan from Stapehill Enterprises Limited	4,219	<i>-</i>
Accrued interest on RGST loan	7,703	<i>7,464</i>
Loan from NB Ingredients Limited	3,747	<i>-</i>

Key management personnel are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the Board, the Company's key management are the directors of Napier Brown Holdings. Information on their compensation is given in note 6.

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24. TRANSITION TO FRS 102

These financial statements are Napier Brown Holdings Limited's first financial statements that comply with FRS 102. The date of transition to FRS 102 was 1 April 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies compared to those used previously. The following tables describe the differences between the amounts presented previously under UK GAAP and as restated to comply with FRS 102:

- in the statement of comprehensive income for the year ended 31 March 2015 and the balance sheet as at that date; and
- in the transition balance sheet at 1 April 2014.

Reconciliation of Balance Sheet as at 1 April 2014

	Note	UK GAAP £'000	Adjustments £'000	FRS102 £'000
Fixed assets				
Tangible assets		1	-	1
Investments	1	67,540	7,489	75,029
		67,541	7,489	75,030
Current assets				
Debtors	3	3,900	916	4,816
Cash at bank and in hand		1,541	-	1,541
		5,441	916	6,357
Creditors: amounts falling due in less than one year		(10,247)	-	(10,247)
		(4,806)	916	(3,890)
Total assets less current liabilities		62,735	8,405	71,140
Creditors: amounts falling due in more than one year		(32,500)	-	(32,500)
Provisions for liabilities				
Deferred tax	2, 3	-	(730)	(730)
Net assets		30,235	7,675	37,910
Capital and reserves				
Share capital		4,376	-	4,376
Share premium		775	-	775
Other Reserves		6,172	-	6,172
Revaluation reserve	1, 2	-	7,675	7,675
Profit and Loss account		18,912	-	18,912
		30,235	7,675	37,910

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24. TRANSITION TO FRS 102 (continued)

Reconciliation of profit or loss for the year ended 31 March 2015

	2015 UK GAAP £'000	Adjustments £'000	2015 FRS 102 £'000
Turnover	1,229	-	1,229
Administrative expenses	(1,859)	-	(1,859)
Operating Loss	(630)	-	(630)
Profit on disposal of investments	3,144	-	3,144
Interest receivable and similar income	844	-	844
Interest payable and similar charges	(596)	-	(596)
Fair value gains on investments	222	1,277	1,499
Fair value loss on forward currency contracts	-	(2,474)	(2,474)
Profit on ordinary activities before taxation	2,984	(1,197)	1,787
Taxation	(150)	324	174
Profit after taxation	2,834	873	1,961
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	2,834	873	1,961

NAPIER BROWN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24 TRANSITION TO FRS 102 (continued)

Reconciliation of Balance Sheet as at 31 March 2015

	Note	UK GAAP £'000	Adjustments £'000	FRS102 £'000
Fixed assets				
Tangible assets		5	-	5
Investments	1	71,961	8,766	80,727
		<u>71,966</u>	<u>8,766</u>	<u>80,732</u>
Current assets				
Debtors	3	3,549	280	3,829
Cash at bank and in hand		753	-	753
		<u>4,302</u>	<u>280</u>	<u>4,582</u>
Creditors: amounts falling due in less than one year	3	(11,540)	(1,558)	(13,098)
		<u>(11,540)</u>	<u>(1,558)</u>	<u>(13,098)</u>
Net current assets/(liabilities)		(7,238)	(1,278)	(8,516)
		<u>(7,238)</u>	<u>(1,278)</u>	<u>(8,516)</u>
Total assets less current liabilities		64,728	7,488	72,216
		<u>64,728</u>	<u>7,488</u>	<u>72,216</u>
Creditors: amounts falling due in more than one year		(31,659)	-	(31,659)
		<u>(31,659)</u>	<u>-</u>	<u>(31,659)</u>
Provisions for liabilities		-	-	-
Deferred tax	2	-	(686)	(686)
		<u>-</u>	<u>(686)</u>	<u>(686)</u>
Net assets		33,069	6,802	39,871
		<u>33,069</u>	<u>6,802</u>	<u>39,871</u>
Capital and reserves				
Share capital		4,376	-	4,376
Share premium		775	-	775
Other Reserves		6,172	-	6,172
Revaluation reserve	1	-	6,802	6,802
Profit and Loss account		21,746	-	21,746
		<u>4,376</u>	<u>6,802</u>	<u>4,376</u>
		<u>775</u>	<u>-</u>	<u>775</u>
		<u>6,172</u>	<u>-</u>	<u>6,172</u>
		<u>-</u>	<u>6,802</u>	<u>6,802</u>
		<u>21,746</u>	<u>-</u>	<u>21,746</u>
		<u>33,069</u>	<u>6,802</u>	<u>39,871</u>

Notes

- Under previous GAAP all listed investments were held at historic cost less impairment. Under FRS102 such investments are held at fair value. Such surpluses or deficits are recognised in the statement of comprehensive income and transferred to the revaluation reserve.
- Under FRS102, a deferred tax liability is recognised on the taxable gains arising on fair value movements on investments and investment property. Deferred tax is recognised in the statement of comprehensive income and transferred to the revaluation reserve.
- Under FRS102, forward currency contracts are initially measured at fair value and subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the statement of comprehensive income.