

DHP FAMILY LTD.

Company Information

Directors	GH Akins SPD Akins GH Akins (Jnr) DP McDerment (appointed 4 April 2017)
Company secretary	SPD Akins
Registered number	00259388
Registered office	2 Lace Market Square Nottingham NG1 1PB
Independent auditors	Smith Cooper Limited 2 Lace Market Square Nottingham NG1 1PB

DHP FAMILY LTD.

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DHP FAMILY LTD.

Strategic report For the Year Ended 31 December 2016

Introduction

We aim to present a balanced and comprehensive review of the performance and development of the business during and at the end of the year, consistent with its size and complexity; and in the context of risks and uncertainties that we face.

Business review

2016 saw strong performances across the group, with the acquisition of two new venues in London. Established venues continued to increase footfall at key club nights as well as an increase in gigs overall within the venues estate. The Live division had a strong year, with excellent festivals adding to the bottom line. Continued investment in our ticketing business has resulted in further growth to sales.

Principal risks and uncertainties

Key risks include market risk relating to changing demand in the live industry, increased competition for the leisure pound more generally and compliance risks that relate to trading in licensed industries. Outdoor festivals are also dependant on weather condition on the day and days leading up to the event. We believe that well established brands and long term trading experience and reputation enable the company to properly manage and mitigate these risks.

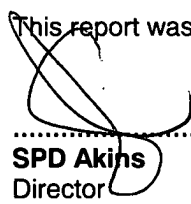
Financial key performance indicators

Turnover increased by 20% during 2016 to £25,300,118 from £21,005,546 in 2015. Net profit increased by £397,000 to £1,060,647 in 2016, a 64% increase.

Other key performance indicators

Operating margin showed strong rises in year from more fluid pricing.

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



.....
SPD Akins
Director

Date: 21/7/17

DHP FAMILY LTD.

Directors' report For the Year Ended 31 December 2016

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of 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; and
- 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.

Principal activity

The principal activity of the company during the year was the operation of bars and nightclubs and promotion of musical entertainment.

Results and dividends

The profit for the year, after taxation, amounted to £1,060,647 (2015 - £664,000).

The directors who served during the year were:

GH Akins
SPD Akins
GH Akins (Jnr)

Employee involvement

The company ensures that employees are consulted on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests. The company also ensures achievement of a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

DHP FAMILY LTD.

**Directors' report
For the Year Ended 31 December 2016**

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.

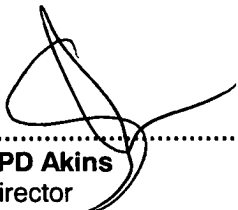
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Smith Cooper Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



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SPD Akins
Director

Date: 21/7/17

DHP FAMILY LTD.

Independent auditors' report to the shareholders of DHP Family Ltd.

We have audited the financial statements of DHP Family Ltd. for the year ended 31 December 2016, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's 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 Auditors' 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 Auditors

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. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 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 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 directors' report has been prepared in accordance with applicable legal requirements.

DHP FAMILY LTD.

Independent auditors' report to the shareholders of DHP Family Ltd.

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.

Smith Cooper Limited

Sarah Flear (Senior statutory auditor)

for and on behalf of

Smith Cooper Limited

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 24/7/17

DHP FAMILY LTD.

**Statement of comprehensive income
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Turnover		25,300,118	21,005,546
Cost of sales		<u>(16,286,048)</u>	<u>(13,677,797)</u>
Gross profit		9,014,070	7,327,749
Advertising, marketing and promotions		(1,133,515)	(970,037)
Administrative expenses		<u>(6,378,132)</u>	<u>(5,455,721)</u>
Operating profit	4	1,502,423	901,991
Interest receivable and similar income		699	3,108
Interest payable and expenses	8	<u>(46,152)</u>	<u>(36,480)</u>
Profit before tax		1,456,970	868,619
Tax on profit	9	<u>(396,323)</u>	<u>(204,619)</u>
Profit for the year		<u>1,060,647</u>	<u>664,000</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

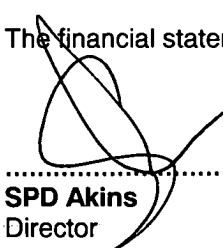
The notes on pages 9 to 23 form part of these financial statements.

DHP FAMILY LTD.
Registered number: 00259388

Balance sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	4,089,682	2,497,328
		<u>4,089,682</u>	<u>2,497,328</u>
Current assets			
Stocks	11	170,469	186,007
Debtors: amounts falling due within one year	12	7,684,330	6,567,636
Cash at bank and in hand	14	2,066,148	1,818,829
		<u>9,920,947</u>	<u>8,572,472</u>
Creditors: amounts falling due within one year	15	(5,559,827)	(4,110,534)
Net current assets		<u>4,361,120</u>	<u>4,461,938</u>
Total assets less current liabilities		<u>8,450,802</u>	<u>6,959,266</u>
Creditors: amounts falling due after more than one year	16	(896,987)	(567,903)
Provisions for liabilities			
Deferred tax	18	(248,614)	(146,809)
		<u>(248,614)</u>	<u>(146,809)</u>
Net assets		<u><u>7,305,201</u></u>	<u><u>6,244,554</u></u>
Capital and reserves			
Called up share capital	20	72,826	72,826
Profit and loss account	21	7,232,375	6,171,728
		<u><u>7,305,201</u></u>	<u><u>6,244,554</u></u>

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



SPD Akins
 Director

Date: 21/7/17.

The notes on pages 9 to 23 form part of these financial statements.

DHP FAMILY LTD.

**Statement of changes in equity
For the Year Ended 31 December 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	72,826	5,507,728	5,580,554
Comprehensive income for the year			
Profit for the year	-	664,000	664,000
Total comprehensive income for the year	-	664,000	664,000
At 1 January 2016	72,826	6,171,728	6,244,554
Comprehensive income for the year			
Profit for the year	-	1,060,647	1,060,647
Total comprehensive income for the year	-	1,060,647	1,060,647
At 31 December 2016	72,826	7,232,375	7,305,201

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

DHP Family Limited is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the company information page of these financial statements. The company's registration number is 00259388. The nature of the company's operations and principal activities are given in the Directors' Report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in Sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- 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.

This information is included in the consolidated financial statements of SJC 15 Limited as at 31 December 2016 and these financial statements may be obtained from 2 Lace Market Square, Nottingham, NG1 1PB.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The sale of wet and dry goods within the company's venues is recognised at the point of sale, when payment is made by the customer. Door receipts are recognised on entrance to the venue. Sales of tickets are usually recognised when the event; for which consideration has been received, actually occurs. Sponsorship income and hire of facilities income is recognised in line with the period to which it relates.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

The estimated useful lives range as follows:

Freehold property	-	2% straight line
Freehold refurbishment	-	10% straight line
Leasehold improvements	-	Over the term of the lease
Plant and machinery	-	7% straight line
Furniture, fixtures and equipment	-	25% straight line

No depreciation is provided in the year of acquisition whilst a full year of depreciation is provided in the year of disposal.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may be affected.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in hand and short term deposits with an original maturity date of three months or less.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are 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.

1.9 Short term debtors and creditors

Debtors and creditors with no stated interest rate or that are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.10 Operating leases

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the period of the lease.

Lease incentives are recognised over the lease term on a straight line basis.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.11 Pensions

Defined contribution pension plan

The company operates a defined contribution pension scheme and contributions to the scheme are recognised in the profit and loss account in the period in which they become payable.

1.12 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

1.13 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. Loans and borrowings that are receivable within one year are not discounted. If an arrangement constitutes a finance transaction it is measured at present value of future payments discounted at a market rate of interest for a similar loan.

1.14 Provisions for Liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, unless it relates to items in other comprehensive income or directly in equity. In such cases, the restated tax is also other comprehensive income or directly in equity.

Current tax liabilities are measured at the amount expected to be paid, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method and is calculated using rates of taxation enacted or substantively enacted at the balance sheet date which are expected to apply when the asset or liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that the actual outcomes could differ from those estimates. There are no significant judgements (apart from those involving estimates) which have had an effect on the amounts recognised in the financial statements.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale of goods	10,582,703	9,220,722
Ticket and event income	14,030,267	11,313,991
Commissions	116,888	110,639
Rendering of services	570,260	360,194
	<u>25,300,118</u>	<u>21,005,546</u>

All turnover arose in the United Kingdom.

4. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	299,954	421,401
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18,000	18,000
Audit fees - non-audit	-	500
Operating leases - land and buildings	585,922	326,800
	<u>585,922</u>	<u>326,800</u>

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18,000	18,000
	<u>18,000</u>	<u>18,000</u>

Fees payable to the company's auditor and its associates in respect of:

All other services	-	500
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DHP FAMILY LTD.

**Notes to the financial statements
For the Year Ended 31 December 2016**

6. Employees

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

	2016	2015
	£	£
Wages and salaries	4,917,556	4,395,084
Social security costs	297,454	255,455
Cost of defined contribution scheme	99,463	87,318
	<u>5,314,473</u>	<u>4,737,857</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Entertainment staff	<u>342</u>	<u>338</u>

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	<u>34,924</u>	<u>34,019</u>

8. Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	34,790	25,007
Other loan interest payable	11,362	11,473
	<u>46,152</u>	<u>36,480</u>

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	294,518	193,345
	<u>294,518</u>	<u>193,345</u>
Total current tax	<u>294,518</u>	<u>193,345</u>
Deferred tax		
Origination and reversal of timing differences	101,805	11,274
Total deferred tax	<u>101,805</u>	<u>11,274</u>
Taxation on profit on ordinary activities	<u>396,323</u>	<u>204,619</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,456,970	868,619
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	291,394	173,724
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23,599	10,647
Capital allowances for year in excess of depreciation	(15,217)	12,107
Deferred tax - origination and reversal of temporary differences	101,805	11,274
Rate changes	-	2,355
Group relief	(5,258)	(5,488)
Total tax charge for the year	<u>396,323</u>	<u>204,619</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

10. Tangible fixed assets

	Freehold property £	Freehold refurbs £	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2016	444,608	662,384	1,022,455	519,899	2,033,435	4,682,781
Additions	667,900	25,251	860,252	108,772	230,133	1,892,308
Transfers between classes	-	(265,300)	265,300	-	-	-
At 31 December 2016	<u>1,112,508</u>	<u>422,335</u>	<u>2,148,007</u>	<u>628,671</u>	<u>2,263,568</u>	<u>6,575,089</u>
Depreciation						
At 1 January 2016	80,078	65,298	119,471	194,477	1,726,129	2,185,453
Charge for the period on owned assets	8,917	39,817	86,129	34,772	130,319	299,954
Transfers between classes	-	(26,450)	26,450	-	-	-
At 31 December 2016	<u>88,995</u>	<u>78,665</u>	<u>232,050</u>	<u>229,249</u>	<u>1,856,448</u>	<u>2,485,407</u>
Net book value						
At 31 December 2016	<u>1,023,513</u>	<u>343,670</u>	<u>1,915,957</u>	<u>399,422</u>	<u>407,120</u>	<u>4,089,682</u>
At 31 December 2015	<u>364,530</u>	<u>597,086</u>	<u>902,984</u>	<u>325,422</u>	<u>307,306</u>	<u>2,497,328</u>

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	1,367,183	961,616
Short leasehold	1,915,957	902,984
	<u>3,283,140</u>	<u>1,864,600</u>

11. Stocks

	2016 £	2015 £
Finished goods and goods for resale	170,469	186,007
	<u>170,469</u>	<u>186,007</u>

Stock recognised in cost of sales during the year as an expense was £2,948,639 (2015 - £2,549,570).

DHP FAMILY LTD.

Notes to the financial statements For the Year Ended 31 December 2016

12. Debtors

	2016 £	2015 £
Trade debtors	724,028	262,777
Amounts owed by group undertakings	6,278,668	5,932,390
Other debtors	405,787	166,562
Prepayments and accrued income	275,847	205,907
	<u>7,684,330</u>	<u>6,567,636</u>

13. Principal subsidiaries

DHP Family Limited owns 100% of the Ordinary Share Capital of Rock City Limited, a dormant company registered in the UK.

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,066,148	1,818,829
	<u>2,066,148</u>	<u>1,818,829</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	351,443	195,866
Trade creditors	1,973,332	1,113,582
Corporation tax	152,863	43,345
Taxation and social security	348,450	643,317
Other creditors	1,332,304	1,563,371
Accruals and deferred income	761,435	551,053
Share capital treated as debt	640,000	-
	<u>5,559,827</u>	<u>4,110,534</u>

Secured loans

The bank loan is secured by way of unlimited guarantee from the ultimate parent company, SJC 15 Limited and first legal charge over the company's freehold land and buildings at Talbot Street, Nottingham and freehold land and buildings at 16 and 18 Victoria Street, Nottingham and 15 to 23 (odd numbers) Bottle Lane, Nottingham.

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**Notes to the financial statements
For the Year Ended 31 December 2016**

16. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	896,987	567,903
	<u>896,987</u>	<u>567,903</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 20.

Secured loans

The bank loan is secured by way of unlimited guarantee from the ultimate parent company, SJC 15 Limited and first legal charge over the company's freehold land and buildings at Talbot Street, Nottingham and freehold land and buildings at 16 and 18 Victoria Street, Nottingham and 15 to 23 (odd numbers) Bottle Lane, Nottingham.

17. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	351,443	195,866
	<u>351,443</u>	<u>195,866</u>
Amounts falling due 1-2 years		
Bank loans	358,104	200,033
	<u>358,104</u>	<u>200,033</u>
Amounts falling due 2-5 years		
Bank loans	538,883	367,870
	<u>538,883</u>	<u>367,870</u>
	<u>1,248,430</u>	<u>763,769</u>

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Notes to the financial statements For the Year Ended 31 December 2016

18. Deferred taxation

	2016 £	2015 £
At beginning of year	(146,809)	(135,535)
Charged to profit or loss	(101,805)	(11,274)
At end of year	(248,614)	(146,809)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	280,640	149,118
Other timing differences	(32,026)	(2,309)
	248,614	146,809

19. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	7,436,026	6,361,729
	7,436,026	6,361,729
Financial liabilities		
Financial liabilities measured at amortised cost	(3,107,650)	(1,877,351)
	(3,107,650)	(1,877,351)

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans and trade creditors.

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Notes to the financial statements For the Year Ended 31 December 2016

20. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
72,826 Ordinary shares of £1 each	<u>72,826</u>	<u>72,826</u>
		2016 £
Shares classified as debt		
Allotted, called up and fully paid		
640,000 Preference shares of £1 each		<u>640,000</u>

640,000 preference shares were issued at £1 per share with consideration in the form of a property transfer on 12 October 2016.

The shares carry no voting rights but dividends are payable at a fixed rate of 8% per annum.

The shares shall be redeemed in full or in part at any time after either, the company or the holder gives written notice of their intention to redeem or there is a change in controlling interest in the company.

21. Reserves

Profit and loss account

This reserve records the retained earnings from the current and prior years.

22. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £99,463 (2015 - £87,318).

Contributions totalling £22,293 (2015 - £9,678) were payable to the fund at the balance sheet date.

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Notes to the financial statements For the Year Ended 31 December 2016

23. Commitments under operating leases

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

	2016 £	2015 £
Not later than 1 year	771,800	326,800
Later than 1 year and not later than 5 years	2,947,200	1,307,200
Later than 5 years	3,966,150	1,768,367
	<u>7,685,150</u>	<u>3,402,367</u>

All operating lease costs relate to land and buildings.

24. Transactions with directors

Included within other debtors is a loan to a director, amounting to £NIL (2015 - £5,106). Amounts repaid during the year totalled £5,106.

During the year payments amounting to £41,250 (2015 - £55,000) in respect of property rental were made to a director of the company.

An amount of £42,723 (2015 - £42,723) is included in accruals in respect of preference share interest due to a director.

Arising in 2016 included within other creditors are preference shares of £640,000 which were issued to a director in exchange for a freehold property. There was an amount owing to the director held within trade creditors totalling £125,981 in relation to additional amounts owing in relation to the property transaction.

As well as the directors' loan within other debtors, there is also an amount of £73,520 (2015 - £204,924) owing to a director within other creditors.

25. Related party transactions

The company has taken advantage of the exemption under FRS 102 Section 33.1A Related Party Disclosures from disclosing transactions with other members of the group.

The company has taken advantage of the exemption under FRS 102 Section 1.12 Reduced Disclosures For Subsidiaries from disclosing key management personnel compensation in total.

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**Notes to the financial statements
For the Year Ended 31 December 2016**

26. Controlling party

The company's parent undertaking is Geo Akins (Holdings) Limited. Geo Akins (Holdings) Limited is a subsidiary of the ultimate parent undertaking SJC 15 Limited.

The largest group in which the results of the company are consolidated is SJC 15 Limited. Consolidated financial statements are available from 2 Lace Market Square, Nottingham, NG1 1PB.

The company is ultimately controlled by GH Akins (Jnr) and SPD Akins by virtue of their joint shareholding in SJC 15 Limited.