

E / Cranshaw & Co Ltd 402767

Registered number: 00893784

BRIDGWATER BROS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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BRIDGWATER BROS HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | G C Reynolds D J Reynolds |
| Registered number | 00893784 |
| Registered office | Hamilton House 39 Kings Road Haslemere Surrey GU27 2QA |
| Independent auditors | Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB |

BRIDGWATER BROS HOLDINGS LIMITED

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BRIDGWATER BROS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The Group has recorded an excellent result for the year. Group turnover increased by 39% to £20m and operating profit close to double the prior year's result. Growth was achieved by a combination of acquisition, inclusion of a full year's trading for the two bakery acquisitions made in 2018, and strong trading from our core businesses particularly in the textile and memorial sectors. All investment properties have been 100% occupied throughout the year.

Business review

Stone memorials, conventional and after-cremation, performed well recording a 1% increase in turnover and a 17% increase in pre-tax profit due to a change in sales mix. A reputation for high quality workmanship and service continues to win both new business and increased demand from existing customers. The retail memorial business had a steady year achieving a similar pre-tax profit to that achieved in the preceding year. The book of remembrance inscription business had a very successful year with a large increase in profitability achieved with the assistance of a large one-off project. Although this has now completed, and results are expected to fall back accordingly, the business continues to win new business for both its calligraphy and artwork services and its bindery work, which offers new books of remembrance and book restoration services. The current year has begun steadily for our memorials businesses.

Machinery manufacture found trading conditions tough in the year and recorded a 9% fall in turnover and an 8% decrease in profit before tax. Sales were down across all three sectors, aviation, general industry and monumental masons. This was broadly due to a reluctance for customers to invest in capital equipment at a time of economic uncertainty and in particular a lack of clarity on the direction in which Brexit may take the UK economy. Machinery manufacture has performed more strongly in the current period than the prior year which is encouraging but it remains a tough trading environment. The masonry consumables and stone maintenance and refurbishment business performed better than in the prior year. Whilst turnover growth was not achieved a programme of overhead reduction led to an improved bottom line which is expected to be lifted further, above the current breakeven position, in the current year.

Slate quarrying had a steady year held back by aggregates machinery issues in Spring and Summer 2019. Turnover overall fell back a little but a small net profit was recorded against last year's loss aided by a profit on disposal on an item of machinery. The current year has been challenging to date as the very wet 2019/20 winter is affecting customer demand and progress on building projects, however this is expected to pick up in Spring 2020 and beyond.

Bespoke bed and table linen manufacture performed very well with a number of large marine and domestic projects supplied in the year. This led to an increase in turnover of 36% and profit before tax more than double the previous year. Progress was made in retail sales in the year, a new income stream for the business, via a partnership with a high end bed manufacturer. The current year has begun well but is expected to fall short of that achieved in 2018/19 due to the pattern of when large projects fall.

The fabric flameproofing business performed satisfactorily in a difficult trading environment. A 1% reduction in turnover was recorded and a 16% fall in profit before tax, the latter primarily due to one-off costs associated with a re-organisation at one of business's two trading locations. Demand for the business's services in recent months has been variable as customers continue to adopt a cautious approach to investment in new fabric stock and new designs, leading to lower demand for our treatments at present. Recently we have seen some disruption in supply of fabrics into us due to Coronavirus. However, the business is in the process of launching new industry-leading ecologically sound treatments for which high customer demand is anticipated.

BRIDGWATER BROS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Assembly and supply of chilling and filtration equipment for optical lens production had a good year, however this was largely off the back of a one-off large project and in the current period a return to tough trading conditions has been experienced. Again economic uncertainty and an unwillingness to invest in capital equipment is a factor but specific to the optical lens industry there is significant competitive pressure from OEMs.

The foodservice wholesale business, 51% owned by the group and held as a fixed asset investment, found trading conditions tough, turnover was down 12% to £7.1m, profit before tax was 15% below the prior year's result, mainly due to pressure on gross margins caused by significant double digit food price inflation driven by rapidly increased overseas demand. The business is managing this issue well and continues to be a leader in its field.

The wholesale bakery supplying bread, rolls and associated products across the Midlands region performed in line with expectations. Investment is being made in marketing and manpower to enable growth in the future. High vehicle maintenance costs were experienced in the year leading to the decision to replace the majority of the delivery fleet with new vehicles in the current year.

In early October 2018 a 70% stake in Peck and Strong Ltd was acquired via the newly formed Peck and Strong Holdings Ltd, the UK Foodhall Ltd also acquiring a 10% stake. Peck and Strong bake cakes, traybakes and savoury pies using the finest ingredients to the highest standard, supplying nationally. This acquisition increases the group's exposure to the food sector where we see opportunities for growth. Peck and Strong had a very successful year with turnover growth above 10%.

There were no investment property acquisitions or disposals in the year.

Principal risks and uncertainties

The diversification of the Group's activities, as a deliberate policy, reduces the risks and uncertainties that are faced in that, in particular, there is no material dependency on any specific customer grouping. However, the wide range of types of production and services undertaken increases the demands on quality control which have to be managed with relatively limited resources. The performance of the UK economy offers the greatest risk as UK customers ultimately buy most of our production and demand is partially subject to their actual or perceived wealth. For example, slate product sales are dependent on both house-building volumes and the availability of funding for heritage restoration projects while production is determined by the quality of the deposit being exposed as well as weather conditions. Fabric fire-retarding is partially dependant on a buoyant tourist industry and demand for upholstered furniture. Memorials are subject to changes in the death rate and the strength of sterling for supplier payments, while machinery sales are subject to the prevailing attitudes of businesses to invest in capital equipment. Our activities in the food sector are exposed to a relatively concentrated supply to a small number of major customers operating in a highly competitive market where the strength of the UK economy can have an impact. All our activities are subject to energy costs, employment regulation imposed by government, IT security, and the impact of currency fluctuations, in particular the US Dollar and Euro against Sterling, on the cost of imported materials. The UK's exit from the European Union presents further uncertainty on imports from and exports to Europe, as well as labour supply, when the UK's membership of the European single market providing free movement of labour, goods and services is withdrawn and replaced with an alternative arrangement.

BRIDGWATER BROS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Financial key performance indicators

The Group consists of twelve trading companies, nine of which are wholly owned by a holding company which itself holds commercial investment property and other financial investments. The trading subsidiaries carry out a very wide range of activities most of which fall within small overall markets where their size is not a barrier to significance. There are direct and indirect connections between the businesses of some subsidiaries and no connection between others. The Group trading performance is analysed, using connections that do exist, in Note 5 to the accounts. With such diversity amongst niche markets, for which key performance indicators are not readily available, and the involvement in wholesale, retail, manufacturing, export, import and extraction it is impossible to provide an analysis that will show meaningfully the performance and position of the business of the group as a whole. Individual comments are made above on material activities of the Group in sufficient detail to show progress during the period.

Employee Benefit Trust

The Medical Expenses Cash Plan, established for the benefit of employees, continued to be funded by the Employee Benefit Trust.

This report was approved by the board on 10th MARCH 2020 and signed on its behalf.



.....
G C Reynolds
Director

BRIDGWATER BROS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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.

Principal activity

The principal activities of the group are:

- Manufacture, import and sale of memorials
- Sale of masons' tools and materials
- *Manufacture and sale of grit blasting and degreasing equipment*
- Slate quarrying
- Renting of property
- Manufacture and sale of fine bed and table linen
- Fire retardant treatment of fabric
- Supply machinery and consumables to the optical trade
- Providing services of commemorative craftsman
- Foodservice wholesaler
- Wholesale bakery

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,478,624 (2018 - £1,241,227).

BRIDGWATER BROS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Directors

The directors who served during the year were:

G C Reynolds
D J Reynolds

Employee involvement

Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the group as and when appropriate.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and it provides appropriate training to achieve this aim.

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

Post balance sheet events

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

Auditors

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

This report was approved by the board on *10th March 2020* and signed on its behalf.



.....
G C Reynolds
Director

BRIDGWATER BROS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIDGWATER BROS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bridgwater Bros Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

BRIDGWATER BROS HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIDGWATER BROS HOLDINGS LIMITED
(CONTINUED)**

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group 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 Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

BRIDGWATER BROS HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIDGWATER BROS HOLDINGS LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our 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 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.



James Bagley (Senior Statutory Auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB
Date. 10/3/20.

BRIDGWATER BROS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|------------------|
| Turnover | 4 | 20,079,670 | 14,418,081 |
| Cost of sales | | (11,450,319) | (8,589,508) |
| Gross profit | | 8,629,351 | 5,828,573 |
| Distribution costs | | (694,625) | (647,806) |
| Administrative expenses | | (5,364,975) | (3,810,888) |
| Other operating income | | 24,471 | 9,374 |
| Fair value movements on investment property | | (66,769) | (26,803) |
| Fair value movements on listed investments | | (1,308) | (51,061) |
| Operating profit | 6 | 2,526,145 | 1,301,389 |
| Income from shares in group undertakings | | 109,752 | 151,215 |
| Income from fixed assets investments | 9 | 50,225 | 88,304 |
| Amounts written off investments | | (350,000) | - |
| Interest receivable and similar income | 10 | 1,191 | 5,074 |
| Interest payable and expenses | 11 | (9,534) | (4,307) |
| Profit before taxation | | 2,327,779 | 1,541,675 |
| Tax on profit | 12 | (589,230) | (292,800) |
| Profit for the financial year | | 1,738,549 | 1,248,875 |
| Profit for the year attributable to: | | | |
| Non-controlling interests | | 259,925 | 7,648 |
| Owners of the parent Company | | 1,478,624 | 1,241,227 |
| | | 1,738,549 | 1,248,875 |

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED
REGISTERED NUMBER: 00893784

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 3,181,564 | 1,150,334 |
| Tangible assets | 15 | 4,216,366 | 3,304,781 |
| Investments | 16 | 2,691,059 | 3,050,819 |
| Investment property | 17 | 6,782,501 | 6,849,270 |
| | | <u>16,871,490</u> | <u>14,355,204</u> |
| Current assets | | | |
| Stocks | 18 | 2,695,177 | 2,413,165 |
| Debtors: amounts falling due after more than one year | 19 | - | 18,612 |
| Debtors: amounts falling due within one year | 19 | 3,003,612 | 2,307,487 |
| Cash at bank and in hand | 20 | 3,256,480 | 4,782,546 |
| | | <u>8,955,269</u> | <u>9,521,810</u> |
| Creditors: amounts falling due within one year | 21 | <u>(3,153,248)</u> | <u>(2,879,373)</u> |
| Net current assets | | <u>5,802,021</u> | <u>6,642,437</u> |
| Total assets less current liabilities | | <u>22,673,511</u> | <u>20,997,641</u> |
| Creditors: amounts falling due after more than one year | 22 | (222,920) | (208,321) |
| Provisions for liabilities | | | |
| Deferred taxation | 25 | (366,510) | (294,613) |
| | | <u>(366,510)</u> | <u>(294,613)</u> |
| Net assets | | <u><u>22,084,081</u></u> | <u><u>20,494,707</u></u> |

BRIDGWATER BROS HOLDINGS LIMITED
REGISTERED NUMBER: 00893784

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------------|--------------------------|
| Capital and reserves | | | |
| Called up share capital | 26 | 139,000 | 139,000 |
| Revaluation reserve | 27 | 108,415 | 108,415 |
| Capital redemption reserve | 27 | 188,002 | 188,002 |
| Own shares | 27 | (164,886) | (164,886) |
| Investment property reserve | 27 | 619,917 | 686,686 |
| Investment revaluation reserve | 27 | 129,732 | 131,040 |
| Capital reserve | 27 | 85,897 | 85,897 |
| Profit and loss account | 27 | 20,339,374 | 19,186,984 |
| Equity attributable to owners of the parent Company | | <u>21,445,451</u> | <u>20,361,138</u> |
| Non-controlling interests | | 638,630 | 133,569 |
| | | <u><u>22,084,081</u></u> | <u><u>20,494,707</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
10th March 2020



.....
G C Reynolds
 Director

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED
REGISTERED NUMBER: 00893784

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 404,412 | 405,515 |
| Investments | 16 | 11,109,673 | 8,410,896 |
| Investment property | 17 | 6,720,001 | 6,789,270 |
| | | <u>18,234,086</u> | <u>15,605,681</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 19 | 382,644 | 392,950 |
| Cash at bank and in hand | 20 | 1,434,765 | 3,671,403 |
| | | <u>1,817,409</u> | <u>4,064,353</u> |
| Creditors: amounts falling due within one year | 21 | (1,999,995) | (1,998,478) |
| Net current (liabilities)/assets | | <u>(182,586)</u> | <u>2,065,875</u> |
| Total assets less current liabilities | | <u>18,051,500</u> | <u>17,671,556</u> |
| Creditors: amounts falling due after more than one year | 22 | (42,797) | (31,909) |
| Provisions for liabilities | | | |
| Deferred taxation | 25 | (134,005) | (123,663) |
| | | <u>(134,005)</u> | <u>(123,663)</u> |
| Net assets | | <u><u>17,874,698</u></u> | <u><u>17,515,984</u></u> |

BRIDGWATER BROS HOLDINGS LIMITED
REGISTERED NUMBER: 00893784

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

| | Note | 30 September 2019 £ | 30 September 2018 £ |
|--|------|---------------------------|---------------------------|
| Capital and reserves | | | |
| Called up share capital | 26 | 139,000 | 139,000 |
| Revaluation reserve | 27 | 108,415 | 108,415 |
| Capital redemption reserve | 27 | 188,002 | 188,002 |
| Own shares | 27 | (164,886) | (164,886) |
| Investment property reserve | 27 | 581,631 | 650,900 |
| Investment revaluation reserve | 27 | 129,732 | 131,040 |
| Profit and loss account brought forward | | 16,463,513 | 15,504,798 |
| Profit for the year | | 777,104 | 941,685 |
| Other changes in the profit and loss account | | (347,813) | 17,030 |
| | | <u>16,892,804</u> | <u>16,463,513</u> |
| Profit and loss account carried forward | | <u>17,874,698</u> | <u>17,515,984</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
10th March 2020



.....
G C Reynolds
 Director

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

| | Called up share capital £ | Capital redemption reserve £ | Freehold revaluation reserve £ | Investment property revaluation reserve £ | Own shares £ | Investment revaluation reserve £ | Capital reserve £ | Profit and loss account £ | Equity attributable to owners of parent Company £ | Non- controlling interests £ | Total equity £ |
|--|---------------------------------------|---------------------------------------|---|---|--------------------|---|-------------------------|------------------------------------|--|---------------------------------------|----------------------|
| At 1 October 2018 | 139,000 | 188,002 | 108,415 | 686,686 | (164,886) | 131,040 | 85,897 | 19,186,984 | 20,361,138 | 133,569 | 20,494,707 |
| Comprehensive income for the year | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | 1,478,624 | 1,478,624 | 259,925 | 1,738,549 |
| Acquired on acquisition | - | - | - | - | - | - | - | - | - | 345,768 | 345,768 |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 1,478,624 | 1,478,624 | 605,693 | 2,084,317 |
| Dividends - Equity capital | - | - | - | - | - | - | - | (394,311) | (394,311) | - | (394,311) |
| Transfer to/from profit and loss account | - | - | - | - | - | (1,308) | - | 68,077 | 66,769 | - | 66,769 |
| Transfer between other reserves | - | - | - | (66,769) | - | - | - | - | (66,769) | - | (66,769) |
| Dividends paid by non-controlling interests | - | - | - | - | - | - | - | - | - | (100,632) | (100,632) |
| Total transactions with owners | - | - | - | (66,769) | - | (1,308) | - | (326,234) | (394,311) | (100,632) | (494,943) |
| At 30 September 2019 | 139,000 | 188,002 | 108,415 | 619,917 | (164,886) | 129,732 | 85,897 | 20,339,374 | 21,445,451 | 638,630 | 22,084,081 |

The notes on pages 20 to 51 form part of these financial statements

BRIDGWATER BROS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

| | Called up share capital | Capital redemption reserve | Freehold revaluation reserve | Investment property revaluation reserve | Own shares | Investment revaluation reserve | Capital reserve | Profit and loss account | Equity attributable to owners of parent Company | Non- controlling interests | Total equity |
|--|-------------------------------|----------------------------------|------------------------------------|--|------------------|--------------------------------------|--------------------|-------------------------------|---|----------------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 October 2017 | 139,000 | 188,002 | 108,416 | 686,686 | (164,886) | 547,000 | 85,897 | 17,905,767 | 19,496,881 | - | 19,496,881 |
| Comprehensive income for the year | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | 1,241,227 | 1,241,227 | 7,648 | 1,248,875 |
| Acquired on acquisition | - | - | - | - | - | - | - | - | - | 150,921 | 150,921 |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 1,241,227 | 1,241,227 | 158,569 | 1,399,796 |
| Dividends: Equity capital | - | - | - | - | - | - | - | (375,970) | (375,970) | - | (375,970) |
| Transfer to/from profit and loss account | - | - | - | - | - | (415,960) | - | 415,960 | - | - | - |
| Dividends paid by non- controlling interests | - | - | - | - | - | - | - | - | - | (25,000) | (25,000) |
| Total transactions with owners | - | - | - | - | - | (415,960) | - | 39,990 | (375,970) | (25,000) | (400,970) |
| At 30 September 2018 | 139,000 | 188,002 | 108,415 | 686,686 | (164,886) | 131,040 | 85,897 | 19,186,984 | 20,361,138 | 133,569 | 20,494,707 |

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

| | Called up share capital | Capital redemption reserve | Freehold revaluation reserve | Investment property revaluation reserve | Own shares | Investment revaluation reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|------------------------------------|--|------------------|--------------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 October 2018 | 139,000 | 188,002 | 108,415 | 650,900 | (164,886) | 131,040 | 16,463,513 | 17,515,984 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 777,104 | 777,104 |
| Total comprehensive income for the year | - | - | - | - | - | - | 777,104 | 777,104 |
| Contributions by and distributions to owners | | | | | | | | |
| Dividends: Equity capital | - | - | - | - | - | - | (418,390) | (418,390) |
| Transfer to/from profit and loss account | - | - | - | - | - | (1,308) | 70,577 | 69,269 |
| Transfer between other reserves | - | - | - | (69,269) | - | - | - | (69,269) |
| Total transactions with owners | - | - | - | (69,269) | - | (1,308) | (347,813) | (418,390) |
| At 30 September 2019 | 139,000 | 188,002 | 108,415 | 581,631 | (164,886) | 129,732 | 16,892,804 | 17,874,698 |

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

| | Called up share capital | Capital redemption reserve | Freehold revaluation reserve | Investment property revaluation reserve | Own shares | Investment revaluation reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|------------------------------------|--|------------------|--------------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 October 2017 | 139,000 | 188,002 | 108,415 | 650,900 | (164,886) | 547,000 | 15,504,798 | 16,973,229 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 941,685 | 941,685 |
| Total comprehensive income for the year | - | - | - | - | - | - | 941,685 | 941,685 |
| Contributions by and distributions to owners | | | | | | | | |
| Dividends: Equity capital | - | - | - | - | - | - | (398,930) | (398,930) |
| Transfer to/from profit and loss account | - | - | - | - | - | (415,960) | 415,960 | - |
| Total transactions with owners | - | - | - | - | - | (415,960) | 17,030 | (398,930) |
| At 30 September 2018 | 139,000 | 188,002 | 108,415 | 650,900 | (164,886) | 131,040 | 16,463,513 | 17,515,984 |

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 1,738,549 | 1,248,875 |
| Adjustments for: | | |
| Amortisation of intangible assets | 356,631 | 21,019 |
| Depreciation of tangible assets | 532,433 | 375,377 |
| Impairments of fixed asset investments | 350,000 | - |
| Loss on disposal of tangible assets | (14,141) | (22,872) |
| Interest paid | 9,534 | 4,307 |
| Interest received and income from investments | (161,164) | (244,593) |
| Taxation charge | 589,230 | 292,800 |
| (Increase)/decrease in stocks | (165,578) | 184,722 |
| (Increase)/decrease in debtors | (216,189) | 299,267 |
| (Decrease) in creditors | (188,274) | (376,258) |
| Net fair value losses recognised in P&L | 67,633 | 77,864 |
| Corporation tax (paid) | (356,359) | (271,141) |
| Net cash generated from operating activities | 2,542,305 | 1,589,367 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (646,856) | (254,696) |
| Sale of tangible fixed assets | 99,747 | 41,934 |
| Purchase of investment properties | - | (882,499) |
| Sale of investment properties | - | 1,743,197 |
| Purchase of listed investments | - | (4,797) |
| Sale of listed investments | 8,896 | 1,097,333 |
| Purchase of investment in subsidiary | (3,156,740) | (1,623,554) |
| Interest received | 1,191 | 5,074 |
| Interest paid | (9,534) | (2,695) |
| Income from investments | 50,225 | 88,304 |
| Income from investments in related companies | 109,752 | 151,215 |
| Net cash from investing activities | (3,543,319) | 358,816 |
| Cash flows from financing activities | | |
| Repayment of loans | (21,997) | (5,503) |
| Repayment of/new finance leases | (8,112) | 5,581 |
| Dividends paid | (394,311) | (375,970) |
| Interest paid | - | (1,612) |
| Dividends paid to non controlling interests | (100,632) | (25,000) |
| Net cash used in financing activities | (525,052) | (402,504) |

BRIDGWATER BROS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Net (decrease)/increase in cash and cash equivalents | (1,526,066) | 1,545,679 |
| Cash and cash equivalents at beginning of year | 4,782,546 | 3,236,867 |
| Cash and cash equivalents at the end of year | 3,256,480 | 4,782,546 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 3,256,480 | 4,782,546 |

The notes on pages 20 to 51 form part of these financial statements.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Bridgwater Bros Holdings Limited, 00893784, is a private limited company limited by shares and incorporated in England & Wales. The registered office is Hamilton House, 39 Kings Road, Haslemere, Surrey, GU27 2QA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling, which is the functional currency of the Company, and are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

2.3 Going concern

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to trade. The validity of this assumption is dependent on the continued support of the subsidiary undertakings. If the company were unable to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide further liabilities that might arise and reclassify fixed assets as current assets.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 following criteria must also be met before revenue is recognised:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction; and
- 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 Group 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.

2.6 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard, being 01 October 2014, to continue to be charged over the period to the first market rent review rather than the term of the lease.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard, being 01 October 2014, to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Group operates defined contribution plans for its employees. Defined contribution plans are pension plans under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plans are held separately from the Group in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------------|--------------------------------|
| Freehold quarries and land | - 1% - 5% straight line |
| Other freehold | - 1% - 25% straight line |
| Short-term leasehold property | - Over the period of the lease |
| Plant and equipment | - 5% - 50% straight line |
| Motor vehicles | - 20% - 50% straight line |
| Fixtures and fittings | - 20% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.16 Revaluation of tangible fixed assets

Under the transition provisions to FRS102 the company elected to use previous revaluation as deemed cost. The property has not been entered into the revaluation model but will follow the accounting policy above for tangible fixed assets.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.17 Investment property

Investment property is carried at fair value determined annually by the directors with guidance from external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.19 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. Work in progress and 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.

2.20 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.24 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In the application of Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on the 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. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have significant effect on the amounts recognised in the financial statements are described below:

Valuation of investment property

As described in note 17, investment properties are stated at fair value upon valuation performed by the directors. The directors have considered current rental yields and the term of the lease to confirm the property is held at fair value.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Turnover

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|-------------------|-------------------|-------------------|
| United Kingdom | 18,429,470 | 12,995,961 |
| Rest of the world | 1,650,200 | 1,422,120 |
| | <u>20,079,670</u> | <u>14,418,081</u> |

5. Turnover by class of business

| | 2019 £ | 2018 £ |
|-----------------------------------|-------------------|-------------------|
| Sale of goods | | |
| Memorials | 6,432,862 | 6,331,859 |
| Grit blasting equipment and tools | 1,746,583 | 1,881,465 |
| Quarrying | 838,677 | 860,850 |
| Bed linen | 2,565,992 | 1,880,142 |
| Optical lens production equipment | 347,876 | 207,692 |
| Wholesale bakery | 5,504,015 | 413,537 |
| | <u>17,436,005</u> | <u>11,575,545</u> |
| Provision of services | | |
| Fabric treatment | 2,113,590 | 2,147,469 |
| Rent/other | 530,075 | 695,067 |
| | <u>2,643,665</u> | <u>2,842,536</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2019 £ | 2018 £ |
|---|------------------|----------------|
| Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements | 16,250 | 20,211 |
| Exchange differences | (6,128) | (4,168) |
| Other operating lease rentals | 331,316 | 306,778 |
| Depreciation of tangible fixed assets | 532,433 | 375,377 |
| Amortisation of intangible fixed assets | 356,631 | 21,019 |
| | <u>1,229,892</u> | <u>719,027</u> |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. Employees

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

| | Group 2019 £ | Group 2018 £ |
|-------------------------------------|--------------------|--------------------|
| Wages and salaries | 6,142,770 | 4,675,729 |
| Social security costs | 517,464 | 397,141 |
| Cost of defined contribution scheme | 294,910 | 210,777 |
| | <u>6,955,144</u> | <u>5,283,647</u> |

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

| | 2019 No. | 2018 No. |
|--------------------------|-------------|-------------|
| Production | 167 | 130 |
| Selling and distribution | 31 | 24 |
| Administration | 66 | 59 |
| | <u>264</u> | <u>213</u> |

8. Directors' remuneration

| | 2019 £ | 2018 £ |
|-----------------------|----------------|----------------|
| Directors' emoluments | <u>411,591</u> | <u>321,285</u> |

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £209,617 (2018 - £161,028).

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Income from investments

| | 2019 | 2018 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Income from fixed asset investments | 50,225 | 88,304 |

10. Interest receivable

| | 2019 | 2018 |
|---------------------------|--------------|--------------|
| | £ | £ |
| Other interest receivable | 1,191 | 5,074 |

11. Interest payable and similar expenses

| | 2019 | 2018 |
|--|--------------|--------------|
| | £ | £ |
| Bank interest payable | 3,479 | 315 |
| Other loan interest payable | - | 1,297 |
| Finance leases and hire purchase contracts | 6,055 | 2,695 |
| | 9,534 | 4,307 |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. Taxation

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 557,664 | 301,864 |
| Total current tax | <u>557,664</u> | <u>301,864</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 31,566 | (9,064) |
| Total deferred tax | <u>31,566</u> | <u>(9,064)</u> |
| Taxation on profit on ordinary activities | <u>589,230</u> | <u>292,800</u> |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2018 - lower than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Profit on ordinary activities before tax | 2,327,779 | 1,541,675 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% <i>(2018 - 19%)</i> | 442,278 | 292,918 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 7,063 | 4,425 |
| Depreciation and goodwill amortisation in excess of capital allowances | 82,804 | 14,003 |
| Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge | (5,361) | (61) |
| Dividends from UK companies | (29,962) | (43,061) |
| Gain/loss on disposal of NQ fixed assets | - | 6,999 |
| Non-taxable (surplus)/deficit on revaluation of investments | 79,434 | 9,702 |
| Employee Benefit Trust taxation | 6,630 | 7,875 |
| Other differences leading to an increase (decrease) in the tax charge | 6,344 | - |
| Total tax charge for the year | 589,230 | 292,800 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Dividends

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Gross dividends paid | 418,391 | 398,930 |
| Paid to Employee Benefit Trust | (24,080) | (22,960) |
| | <u>394,311</u> | <u>375,970</u> |

14. Intangible assets

Group

| | Goodwill £ |
|-----------------------|------------------|
| Cost | |
| At 1 October 2018 | 3,168,919 |
| Additions | 2,387,861 |
| At 30 September 2019 | <u>5,556,780</u> |
| Amortisation | |
| At 1 October 2018 | 2,018,585 |
| Charge for the year | 356,631 |
| At 30 September 2019 | <u>2,375,216</u> |
| Net book value | |
| At 30 September 2019 | <u>3,181,564</u> |
| At 30 September 2018 | <u>1,150,334</u> |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

15. Tangible fixed assets

Group

| | Land and Buildings £ | Plant, vehicles and equipment £ | Freehold quarries £ | Total £ |
|--|----------------------------|--|---------------------------|------------------|
| Cost or valuation | | | | |
| At 1 October 2018 | 2,485,309 | 4,193,064 | 382,437 | 7,060,810 |
| Additions | 1,644 | 645,212 | - | 646,856 |
| Acquisition of subsidiary | 700,177 | 182,589 | - | 882,766 |
| Disposals | - | (294,673) | - | (294,673) |
| At 30 September 2019 | <u>3,187,130</u> | <u>4,726,192</u> | <u>382,437</u> | <u>8,295,759</u> |
| Depreciation | | | | |
| At 1 October 2018 | 556,184 | 3,029,356 | 170,489 | 3,756,029 |
| Charge for the year on owned assets | 69,357 | 398,029 | 10,202 | 477,588 |
| Charge for the year on financed assets | - | 54,845 | - | 54,845 |
| Disposals | - | (209,069) | - | (209,069) |
| At 30 September 2019 | <u>625,541</u> | <u>3,273,161</u> | <u>180,691</u> | <u>4,079,393</u> |
| Net book value | | | | |
| At 30 September 2019 | <u>2,561,589</u> | <u>1,453,031</u> | <u>201,746</u> | <u>4,216,366</u> |
| At 30 September 2018 | <u>1,929,125</u> | <u>1,163,708</u> | <u>211,948</u> | <u>3,304,781</u> |

Included within land and buildings is freehold land at cost of £561,508 (2018: £411,508), which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2019 £ | 2018 £ |
|-------------------------------|----------------|----------------|
| Plant, vehicles and equipment | <u>205,479</u> | <u>214,916</u> |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

15. Tangible fixed assets (continued)

Company

| | Freehold property £ | Freehold property improvements £ | Fixtures, fittings, equipment & vehicles £ | Total £ |
|--|---------------------------|---|--|------------|
| Cost or valuation | | | | |
| At 1 October 2018 | 275,000 | 43,921 | 132,652 | 451,573 |
| Additions | - | - | 72,538 | 72,538 |
| Disposals | - | - | (66,243) | (66,243) |
| At 30 September 2019 | 275,000 | 43,921 | 138,947 | 457,868 |
| Depreciation | | | | |
| At 1 October 2018 | 11,000 | 6,063 | 28,995 | 46,058 |
| Charge for the year on owned assets | 2,750 | 2,925 | 13,841 | 19,516 |
| Charge for the year on financed assets | - | - | 11,476 | 11,476 |
| Disposals | - | - | (23,594) | (23,594) |
| At 30 September 2019 | 13,750 | 8,988 | 30,718 | 53,456 |
| Net book value | | | | |
| At 30 September 2019 | 261,250 | 34,933 | 108,229 | 404,412 |
| At 30 September 2018 | 264,000 | 37,858 | 103,657 | 405,515 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Fixtures, fittings, equipment and vehicles | 67,650 | 50,167 |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Fixed asset investments

Group

| | Investments in subsidiary companies £ | Listed investments £ | Unlisted investments £ | Total £ |
|--------------------------|---|----------------------------|------------------------------|------------|
| Cost or valuation | | | | |
| At 1 October 2018 | 2,374,619 | 839,036 | 42,912 | 3,256,567 |
| Disposals | - | (8,896) | - | (8,896) |
| Revaluations | - | (864) | - | (864) |
| At 30 September 2019 | 2,374,619 | 829,276 | 42,912 | 3,246,807 |
| Impairment | | | | |
| At 1 October 2018 | 162,836 | - | 42,912 | 205,748 |
| Charge for the period | 350,000 | - | - | 350,000 |
| At 30 September 2019 | 512,836 | - | 42,912 | 555,748 |
| Net book value | | | | |
| At 30 September 2019 | 1,861,783 | 829,276 | - | 2,691,059 |
| At 30 September 2018 | 2,211,783 | 839,036 | - | 3,050,819 |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

16. Fixed asset investments (continued)

Company

| | Investments in subsidiary companies £ | Listed investments £ | Unlisted investments £ | Total £ |
|--------------------------|---|----------------------------|------------------------------|------------|
| Cost or valuation | | | | |
| At 1 October 2018 | 8,539,767 | 839,036 | 22,948 | 9,401,751 |
| Additions | 3,141,715 | - | - | 3,141,715 |
| Disposals | - | (8,896) | - | (8,896) |
| Revaluations | - | (864) | - | (864) |
| At 30 September 2019 | 11,681,482 | 829,276 | 22,948 | 12,533,706 |
| Impairment | | | | |
| At 1 October 2018 | 967,907 | - | 22,948 | 990,855 |
| Charge for the period | 433,178 | - | - | 433,178 |
| At 30 September 2019 | 1,401,085 | - | 22,948 | 1,424,033 |
| Net book value | | | | |
| At 30 September 2019 | 10,280,397 | 829,276 | - | 11,109,673 |
| At 30 September 2018 | 7,571,860 | 839,036 | - | 8,410,896 |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding |
|--------------------------------------|------------------------|----------------|
| B I Crawshaw & Co Limited | Ordinary | 100% |
| Crown Memorials Limited | Ordinary | 100% |
| Essex Flameproofing Limited | Ordinary | 100% |
| Heirlooms Limited | Ordinary | 100% |
| Kenbridge Limited | Ordinary | 100% |
| Mill Hill Quarries Limited | Ordinary | 100% |
| Odlings MCR Limited | Ordinary | 100% |
| Odlings Limited | Ordinary | 100% |
| Europtica International Limited | Ordinary | 100% |
| F G Marshall Limited | Ordinary | 100% |
| Euroflam Textiles Treatments Limited | Ordinary | 100% |
| The UK Foodhall Limited | Ordinary | 51% |
| John Dwyer Bakery Limited | Ordinary | 90% |
| Peck & Strong Holdings Limited | Ordinary | 70% |
| Peck & Strong Limited | Ordinary | 70% |

With the exception of Essex Flameproofing Limited, Kenbridge Limited, F G Marshall Limited, Euroflam Textiles Treatments Limited all other subsidiaries are entitled to the exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

Kenbridge Limited and Euroflam Textiles Treatment Limited are dormant and have taken the audit exemption under the provisions of section 480 of the Companies Act 2006.

With the exception of Essex Flameproofing Limited, Kenbridge Limited, F G Marshall Limited and Euroflam Textiles Treatment Limited for all other subsidiaries the parent undertaking has given a guarantee under section 479C of the Companies Act 2006 in respect of this financial year.

The UK Foodhall Limited has been excluded from these consolidated accounts due to the Parent company having limited control over the running of the company. Its registered office is 2 Darwin Court, Clayton Way, Oxon Business Park, Shrewsbury, Shropshire, SY3 5AL.

The registered office of all subsidiary undertakings is the same as the registered office of the Company.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Investment property

Group

| | Freehold investment property £ |
|-----------------------------|---|
| Valuation | |
| At 1 October 2018 | 6,849,270 |
| Impairment | (66,769) |
| At 30 September 2019 | 6,782,501 |

The 2019 valuations were made by the directors, on an open market value for existing use basis.

Company

| | Freehold investment property £ |
|-----------------------------|---|
| Valuation | |
| At 1 October 2018 | 6,789,270 |
| Impairment | (69,269) |
| At 30 September 2019 | 6,720,001 |

The 2019 valuations were made by the directors, on an open market value for existing use basis.

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. Stocks

| | Group 2019 £ | Group 2018 £ |
|-------------------------------------|-----------------------------|-----------------------------|
| Raw materials and consumables | 630,263 | 538,675 |
| Work in progress (goods to be sold) | 30,296 | 36,041 |
| Finished goods and goods for resale | 2,034,618 | 1,838,449 |
| | <u>2,695,177</u> | <u>2,413,165</u> |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £5,216,460 (2018: £3,496,090).

The value of stock held by the Company at 30 September 2019 was £Nil (2018: £Nil).

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Debtors

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due after more than one year | | | | |
| Other debtors | - | 18,612 | - | - |
| | <u>-</u> | <u>18,612</u> | <u>-</u> | <u>-</u> |
| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
| Due within one year | | | | |
| Trade debtors | 2,468,692 | 1,744,809 | 44,562 | 46,035 |
| Amounts owed by group undertakings | - | - | 137,365 | 113,920 |
| Other debtors | 241,069 | 226,668 | 163,439 | 171,073 |
| Prepayments and accrued income | 293,851 | 336,010 | 37,278 | 61,922 |
| | <u>3,003,612</u> | <u>2,307,487</u> | <u>382,644</u> | <u>392,950</u> |

20. Cash and cash equivalents

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | 3,256,480 | 4,782,546 | 1,434,765 | 3,671,403 |
| | <u>3,256,480</u> | <u>4,782,546</u> | <u>1,434,765</u> | <u>3,671,403</u> |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

21. Creditors: Amounts falling due within one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 21,997 | 21,997 | - | - |
| Trade creditors | 1,060,664 | 899,037 | 3,224 | 16,730 |
| Amounts owed to group undertakings | 10,480 | 13,584 | 1,499,744 | 1,286,754 |
| Corporation tax | 522,353 | 351,954 | 59,697 | 80,218 |
| Other taxation and social security | 513,104 | 463,804 | 151,624 | 143,114 |
| Obligations under finance lease and hire purchase contracts | 26,251 | 70,959 | 5,541 | 4,767 |
| Other creditors | 55,898 | 2,865 | - | - |
| Accruals and deferred income | 942,501 | 1,055,173 | 280,165 | 466,895 |
| | 3,153,248 | 2,879,373 | 1,999,995 | 1,998,478 |

Creditors in relation to finance leases and hire purchase contracts are secured over the assets to which they relate.

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

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 139,026 | 161,023 | - | - |
| Net obligations under finance leases and hire purchase contracts | 83,894 | 47,298 | 42,797 | 31,909 |
| | 222,920 | 208,321 | 42,797 | 31,909 |

Creditors in relation to finance leases and hire purchase contracts are secured over the assets to which they relate.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

23. Loans

| | Group 2019 £ | <i>Group 2018 £</i> |
|--|-----------------------------|-----------------------------|
| Amounts falling due within one year | | |
| Bank loans | 21,997 | 21,997 |
| Amounts falling due 2-5 years | | |
| Bank loans | 139,026 | 161,023 |
| | <u>161,023</u> | <u>183,020</u> |

Secured loans

The Group has a loan with National Westminster Bank Plc of £161,023 (2018: £183,020). The loan is secured by a legal charge over a subsidiary company's property.

24. Financial instruments

| | Group 2019 £ | <i>Group 2018 £</i> | Company 2019 £ | <i>Company 2018 £</i> |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 829,276 | 839,036 | 829,276 | 839,036 |
| Financial assets that are debt instruments measured at amortised cost | 5,966,241 | 6,694,903 | 1,780,131 | 3,998,506 |
| | <u>6,795,517</u> | <u>7,533,939</u> | <u>2,609,407</u> | <u>4,837,542</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>(1,181,289)</u> | <u>(1,033,029)</u> | <u>(1,551,356)</u> | <u>(1,340,160)</u> |

Financial assets measured at fair value through profit or loss comprise listed investments.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, amounts owed to group and cash.

Financial liabilities measured at amortised cost comprise trade creditors, hire purchase liabilities and amounts owed by group.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

25. Deferred taxation

Group

| | 2019 £ |
|----------------------------------|------------------|
| At beginning of year | (294,615) |
| Charged to profit or loss | (31,566) |
| Arising on business combinations | (40,329) |
| Utilised in year | - |
| At end of year | (366,510) |

Company

| | 2019 £ |
|---------------------------|------------------|
| At beginning of year | (123,663) |
| Charged to profit or loss | (10,342) |
| At end of year | (134,005) |

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------------|--------------------|--------------------|----------------------|----------------------|
| Accelerated capital allowances | (308,266) | (242,025) | (134,005) | (123,663) |
| Short term timings difference | 11,676 | 9,972 | - | - |
| Rolled over capital gains | (69,920) | (62,560) | - | - |
| | (366,510) | (294,613) | (134,005) | (123,663) |

26. Share capital

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Allotted, called up and fully paid | | |
| 139,000 (2018 - 139,000) Ordinary shares of £1.00 each | 139,000 | 139,000 |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

27. Reserves

Revaluation reserve

This reserve represents the non-distributable revaluation of the freehold property at the date of transition to FRS102. This valuation has been treated as deemed cost.

Investment property revaluation reserve

This reserve represents a non-distributable element of the profit and loss reserve. It is the accumulative gains and losses on the fair value adjustment of investment properties.

Other reserves

This reserve represents a non-distributable element of the profit and loss reserve. It is the accumulative gains and losses on the fair value adjustment of listed investments.

Profit and loss account

This reserve represents the accumulative distributable reserves of the group.

Own shares

The Bridgwater Group Employee Benefit Trust owns 8,000 (2018: 8,000) ordinary £1 shares at a carrying value of £164,886 (2018: £164,886).

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

28. Business combinations

On 5th October 2018 the Group acquired control of Peck and Strong Limited through the purchase of 70% of the share capital for total consideration of £5,656,646. Peck and Strong Limited operates a wolesale bakery. The acquisition method of accounting has been applied.

Management have estimated the useful life of the goodwill to be 10 years.

Recognised amounts of identifiable assets acquired and liabilities assumed

| | Book value £ | Fair value adjustment £ | Fair value £ |
|--|------------------|-------------------------------|------------------|
| Tangible | 842,766 | 40,000 | 882,766 |
| Intangible | 286,000 | (286,000) | - |
| | <u>1,128,766</u> | <u>(246,000)</u> | <u>882,766</u> |
| Stocks | 116,439 | - | 116,439 |
| Debtors | 492,230 | - | 492,230 |
| Cash at bank and in hand | 2,499,906 | - | 2,499,906 |
| Total assets | <u>4,237,341</u> | <u>(246,000)</u> | <u>3,991,341</u> |
| Due within one year | (336,458) | - | (336,458) |
| Deferred tax on differences between fair value and tax bases | (40,329) | - | (40,329) |
| Non-controlling interest | (345,769) | - | (345,769) |
| Total identifiable net assets | <u>3,514,785</u> | <u>(246,000)</u> | <u>3,268,785</u> |
| Goodwill | | | 2,387,861 |
| Total purchase consideration | | | <u>5,656,646</u> |
| Consideration | | | |
| | | | £ |
| Cash | | | 5,583,280 |
| Directly attributable costs | | | 73,366 |
| Total purchase consideration | | | <u>5,656,646</u> |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

28. Business combinations (continued)

The adjustment to intangible assets arising on acquisition was in respect of goodwill arising in Peck and Strong Limited on its incorporation. The goodwill is not considered an identifiable asset and therefore has been removed on consolidation.

The adjustment to tangible assets arising on acquisition was in respect to fair value adjustments on plant and machinery.

The results of Peck and Strong Limited since its acquisition have been turnover of £3,062,234 and profit after tax of £807,127.

Cash outflow on acquisition

| | |
|--|------------------------------|
| | £ |
| Purchase consideration settled in cash, as above | 5,583,280 |
| | <hr/> 5,583,280 |
| Net cash outflow on acquisition | <hr/> 5,583,280 <hr/> |

29. Contingent liabilities

The Company has given cross corporate guarantees with B I Crawshaw & Co Limited, Heirlooms Limited, Mill Hill Quarries Limited, Crown Memorials Limited, F G Marshall Limited, Essex Flameproofing Limited, Odlings Limited and Odlings MCR Limited to its bank.

30. Pension commitments

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £294,910 (2018: £200,118). The amount outstanding as at the year-end was £Nil (2018: £Nil).

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

31. Commitments under operating leases

At 30 September 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2019 £ | Group 2018 £ |
|--|-----------------------------|-----------------------------|
| Not later than 1 year | 270,388 | 264,727 |
| Later than 1 year and not later than 5 years | 240,090 | 360,954 |
| Later than 5 years | - | 47,682 |
| | 510,478 | 673,363 |

32. Rental receipts under operating leases

At 30 September 2019 the Group and the Company had future minimum lease rental receipts under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| No later than 1 year | 517,550 | 511,967 |
| Later than 1 year and not later than 5 years | 1,149,612 | 1,314,236 |
| Later than 5 years | 1,296,285 | 1,471,083 |
| | 2,963,447 | 3,297,286 |

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

33. Related party transactions

The company owns 51% of the share capital in The UK Foodhall Limited. The company is controlled based upon the voting rights of the shareholders. The Parent company has limited control over the running of this company so its results have not been consolidated into these accounts.

At the year end Bridgwater Bros Holdings Limited owed The UK Foodhall Limited £Nil (2018: £13,584).

During the year, The UK Foodhall Limited paid expenses of £10,480 on behalf of Peck & Strong Holdings Limited. This balance was outstanding as at 30 September 2019 and is included within amounts owed to group undertakings.

During the year The UK Foodhall Limited paid dividends to Bridgwater Bros Holdings Limited of £109,752 (2018: £151,215) and a management fee of £15,000 (2018: £15,000).

The company owns 90% of the share capital in John Dwyer Bakery Limited.

At the year end Bridgwater Bros Holdings Limited owed John Dwyer Bakery Limited £255,000 (2018: £200,000).

During the year John Dwyer Bakery Limited paid dividends to Bridgwater Bros Holdings Limited of £173,178 (2018: £225,000) and a management fee of £18,000 (2018: £Nil).

The company owns 70% of the share capital in Peck & Strong Limited.

At the year end Bridgwater Bros Holdings Limited owed Peck & Strong Limited £Nil (2018: £Nil).

During the year Peck & Strong Limited paid dividends of £2,704,092 to Peck & Strong Holdings Limited (2018: £Nil) and a management fee of £16,854 to Bridgwater Bros Holdings Limited (2018: £Nil).

Remuneration for key management personnel during the year totalled £984,428 (2018: £736,109).

34. Controlling party

There is no ultimate controlling party.

BRIDGWATER BROS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

35. Employee Benefit Trust

The net assets of the Employee Benefit Trust are held separately and independently from the group and company. UITF Abstract 32 required these assets to be consolidated in the group's and company's accounts.

| | 2019 £ | 2018 £ |
|---------------------------------------|-----------------|-----------------|
| Dividend income | 24,080 | 22,960 |
| Interest recieved | 15 | 7 |
| Additional employer contribution | 9,500 | 10,000 |
| | <u>33,595</u> | <u>32,967</u> |
| Employee benefits | (21,587) | (24,485) |
| Administrative expenses | (6,491) | (6,090) |
| | <u>(28,078)</u> | <u>(30,575)</u> |
| Net income/(expenditure) for the year | 5,517 | 2,392 |
| Tax | (5,400) | (6,719) |
| Trust Assets at 1 October 2018 | 313,310 | 317,637 |
| Trust Assets at 30 September 2019 | <u>313,427</u> | <u>313,310</u> |

BRIDGWATER BROS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The nominal value of own shares held in Employee Benefit Trust is £8,000 (2018: £8,000).

The net assets of the Trust included in these accounts comprise:

| | 2019 £ | 2018 £ |
|--------------------------------------|-----------------------|-----------------------|
| Fixed Assets | | |
| Own shares to Employee Benefit Trust | 164,886 | 164,886 |
| Current Assets | | |
| Bank and cash | 5,079 | 2,932 |
| Debtors | 145,075 | 146,492 |
| | <u>150,154</u> | <u>149,424</u> |
| Current Liabilities | | |
| Accrued expenses | (1,270) | (1,000) |
| Taxation | (343) | - |
| | <u>(1,613)</u> | <u>(1,000)</u> |
| Net assets | <u><u>313,427</u></u> | <u><u>313,310</u></u> |