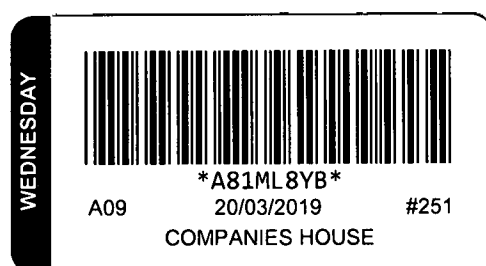


Company Registration No. 06837170 (England and Wales)

ELLIS BRIGHAM HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



ELLIS BRIGHAM HOLDINGS LIMITED

COMPANY INFORMATION

Directors	E Brigham M E Brigham R E Brigham
Company number	06837170
Registered office	47 Brunel Avenue Salford Manchester M5 4BE
Auditor	CLB Coopers Audit Services 5th Floor Ship Canal House 98 King Street Manchester M2 4WU



ELLIS BRIGHAM HOLDINGS LIMITED

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ELLIS BRIGHAM HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present the strategic report for the year ended 30 June 2018.

Business review

In a year when retailers again struggled to perform, we can commend both our growth in Turnover and Gross Profit. With a cold winter at home and a good snow season in the Alps we performed well in our key trading period.

Key Performance Indicators ("KPI's")

In managing a portfolio of 25 stores nationally we utilise a suite of KPI's, the primary ones being;

- Sales growth; Increase of £1.64m from £37.22m to £38.86m, representing a 4.4% increase.
- Gross Profit; Increase of £0.96m from £18.04m to £19.0m, representing a 5.3% increase
- Gross Profit margin; maintained at 49%

Unfortunately, this good news is tempered by the increase in trading costs, particularly wages and business rates, together with the impact of the hot summer and Football World Cup, resulting in an overall decrease in Net Profit after tax from £1,139K to £882K.

Investment for the future

Through the year three new stores were opened, a "The North Face" and Ellis Brigham flagship store, both in Chelmsford's prestigious Bond Street development and a brand-new concept store in Liverpool with accompanying web site: "Outsiders Store". This new fascia re-invents the traditional outdoor store for a younger more design led consumer. Their second store opened in autumn 2018 in the ground-breaking new Coal Drops Yard development in Kings Cross, London. Whilst these shops will bring greater revenues to the business in the future, the costs associated with these fit outs contributed to our fall in Net Profit.

Our on-line business continues to grow and we see this as one of our major opportunities. We have continued to make significant investments during the year into our online platform. Once complete, the new platform will project the quality of our offering in the same way our shop fits have improved the store environments. We will have a seamless "all channel" shopping experience no matter how you choose to interact with us.

The function of the retail store is changing in our modern "all channel" environment. Keeping abreast of this fast paced change is paramount to the survival of any retailer. Putting our customers first, we will need to be agile with regard to our property portfolio and we will be reviewing our locations as the opportunity to exit, renew or move arises.

Corporate Social Responsibility

As a family business who rely on the great outdoors for our living, environmental concerns and our staff wellbeing have always been central to the way we work. Recently we have noticed how many companies are suddenly communicating their improved CSR commitments even though they are playing catch up on what we have been doing for years. It is important to us as employers, our employees and our customers that we do as much as we can to minimise our impact on the environment. From our reusable, recyclable, FSC approved shop fits to our range of earth friendly products and ethical brands; from our LED lights to the amount of cardboard we reuse and recycle; we will continue to champion the causes we find vital to the future of humanity and the planet.

ELLIS BRIGHAM HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Principal Risks

This year has presented us with many challenges, which in most cases are here to stay: higher Business Rates and wages, high levels of employment with less people wanting to work in retail and reduced footfall on our high streets, to name a few. Of particular concern is the ever-increasing global average temperature, destroying the environments our customers love to use.

In order to mitigate the risks we face going forward, we have challenged ourselves to find more and more efficiencies and plan for turbulent times ahead, whilst also looking for new markets and revenue streams. New technologies will be introduced in the coming year to help us maximise the performance of all sectors of the business, whilst continuing to focus on our staff, their training and making our company a great place to work; which should ensure that we continue to attract top calibre people with enthusiasm for our sector.

On behalf of the board



R E Brigham

Director

6 December 2018

ELLIS BRIGHAM HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the group continued to be the retail of mountain and winter sports clothing, equipment and accessories.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Brigham
M E Brigham
R E Brigham

Results and dividends

The results for the year are set out on page 8.

Dividends of £1,200,000 were paid during the year. The directors do not recommend payment of a final dividend.

Financial instruments

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans.

Foreign currency

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

During the year, the policy of providing employees with information about the group through a monthly newsletter was continued and regular meetings are held between shop managers and staff to allow a free flow of information and ideas.

ELLIS BRIGHAM HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Future developments

The group will continue to invest in staff, staff training and store refits in the coming year as well as launching a new website and improving the 'click and collect' service by investing in more sophisticated stock management systems.

Auditor

In accordance with the company's articles, a resolution proposing that CLB Coopers Audit Services be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

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

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

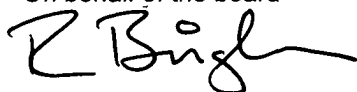
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

On behalf of the board



R E Brigham

Director

6 December 2018

ELLIS BRIGHAM HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELLIS BRIGHAM HOLDINGS LIMITED

Opinion

We have audited the financial statements of Ellis Brigham Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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 auditor's 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 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.

ELLIS BRIGHAM HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ELLIS BRIGHAM HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

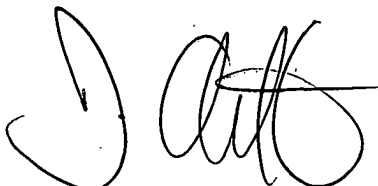
ELLIS BRIGHAM HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ELLIS BRIGHAM HOLDINGS LIMITED

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Clift (Senior Statutory Auditor)

for and on behalf of CLB Coopers Audit Services

6 December 2018

5th Floor Ship Canal House
98 King Street
Manchester
M2 4WU

ELLIS BRIGHAM HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	38,861,119	37,221,129
Cost of sales		(19,864,204)	(19,178,163)
Gross profit		18,996,915	18,042,966
Administrative expenses		(17,977,686)	(16,209,981)
Other operating income		19,437	110
Operating profit	4	1,038,666	1,833,095
Interest receivable and similar income	8	69,855	37,299
Interest payable and similar expenses	9	(21,005)	(91,307)
Profit before taxation		1,087,516	1,779,087
Tax on profit	10	(205,535)	(640,126)
Profit for the financial year	24	881,981	1,138,961

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company,

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ELLIS BRIGHAM HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	12	406,107		136,353	
Tangible assets	13	7,814,672		6,730,700	
		<u>8,220,779</u>		<u>6,867,053</u>	
Current assets					
Stocks	17	6,205,257		5,531,588	
Debtors	18	3,053,457		3,421,918	
Cash at bank and in hand		4,330,702		7,105,256	
		<u>13,589,416</u>		<u>16,058,762</u>	
Creditors: amounts falling due within one year	19	(5,064,442)		(8,010,869)	
Net current assets		<u>8,524,974</u>		<u>8,047,893</u>	
Total assets less current liabilities		<u>16,745,753</u>		<u>14,914,946</u>	
Creditors: amounts falling due after more than one year	20	(1,000,000)		(2,154)	
Provisions for liabilities	21	(264,048)		(313,068)	
Net assets		<u>15,481,705</u>		<u>14,599,724</u>	
Capital and reserves					
Called up share capital	23	17,502		17,502	
Profit and loss reserves	24	15,464,203		14,582,222	
Total equity		<u>15,481,705</u>		<u>14,599,724</u>	

The financial statements were approved by the board of directors and authorised for issue on 6 December 2018 and are signed on its behalf by:



R E Brigham
Director

ELLIS BRIGHAM HOLDINGS LIMITED

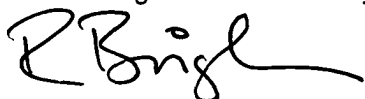
COMPANY BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	14		18,006		18,005
Current assets					
Debtors	18	5,997,270		3,256,121	
Cash at bank and in hand		2,642,107		5,740,136	
		<u>8,639,377</u>		<u>8,996,257</u>	
Creditors: amounts falling due within one year	19	<u>(235,799)</u>		<u>(2,025,447)</u>	
Net current assets			8,403,578		6,970,810
Total assets less current liabilities			8,421,584		6,988,815
Creditors: amounts falling due after more than one year	20		(1,000,000)		-
Net assets			<u>7,421,584</u>		<u>6,988,815</u>
Capital and reserves					
Called up share capital	23		17,502		17,502
Profit and loss reserves	24		7,404,082		6,971,313
Total equity			<u>7,421,584</u>		<u>6,988,815</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £432,769 (2017 - £95,306 profit).

The financial statements were approved by the board of directors and authorised for issue on 6 December 2018 and are signed on its behalf by:



R E Brigham
Director

Company Registration No. 06837170

ELLIS BRIGHAM HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2016		17,502	14,643,196	14,660,698
Year ended 30 June 2017:				
Profit and total comprehensive income for the year		-	1,138,961	1,138,961
Dividends	11	-	(1,199,935)	(1,199,935)
Balance at 30 June 2017		17,502	14,582,222	14,599,724
Year ended 30 June 2018:				
Profit and total comprehensive income for the year		-	881,981	881,981
Balance at 30 June 2018		17,502	15,464,203	15,481,705

ELLIS BRIGHAM HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2016		17,502	8,076,007	8,093,509
Year ended 30 June 2017:				
Profit and total comprehensive income for the year		-	95,306	95,306
Dividends	11	-	(1,200,000)	(1,200,000)
Balance at 30 June 2017		17,502	6,971,313	6,988,815
Year ended 30 June 2018:				
Profit and total comprehensive income for the year		-	432,769	432,769
Balance at 30 June 2018		17,502	7,404,082	7,421,584

ELLIS BRIGHAM HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(80,889)		1,966,470
Interest paid			(21,005)		(91,307)
Income taxes paid			(431,329)		(441,478)
Net cash (outflow)/inflow from operating activities			(533,223)		1,433,685
Investing activities					
Purchase of intangible assets		(269,754)		(136,353)	
Purchase of tangible fixed assets		(1,835,319)		(944,201)	
Proceeds on disposal of tangible fixed assets		1,799		26,886	
Interest received		69,855		37,299	
Net cash used in investing activities			(2,033,419)		(1,016,369)
Financing activities					
Issue of preference shares		1,000,000		-	
Payment of finance leases obligations		(7,977)		(19,539)	
Dividends paid to equity shareholders		(1,199,935)		-	
Net cash used in financing activities			(207,912)		(19,539)
Net (decrease)/increase in cash and cash equivalents			(2,774,554)		397,777
Cash and cash equivalents at beginning of year			7,105,256		6,707,479
Cash and cash equivalents at end of year			4,330,702		7,105,256

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Ellis Brigham Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 47 Brunel Avenue, Salford, Manchester, M5 4BE.

The group consists of Ellis Brigham Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

The company has taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements incorporate those of Ellis Brigham Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 June 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1.2 Going concern

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

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.3 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

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

Website development costs	3 years
---------------------------	---------

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

1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Fixtures, fittings and equipment	15%-25% reducing balance
Leasehold improvements	Straight line over 5 years
Computers	33.3% reducing balance

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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

1.8 Stocks

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

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

1.9 Cash at bank and in hand

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

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account 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 in the balance sheet.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

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

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

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

1.17 Foreign exchange

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

1.18 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Judgements and key sources of estimation uncertainty

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

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

The directors have applied their knowledge of the operations of the business when reviewing the stock listing at the balance sheet date, and have made appropriate provision for any items deemed to be slow moving or obsolete. The charge to the profit and loss account is recognised in cost of sales.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Retail sales	38,861,119	37,221,129
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	69,855	37,299
Insurance claims receivable	-	110
	<u> </u>	<u> </u>

All the turnover arose within United Kingdom.

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	245,633	32,262
Depreciation of owned tangible fixed assets	720,916	400,471
Depreciation of tangible fixed assets held under finance leases	28,334	29,079
Loss/(profit) on disposal of tangible fixed assets	297	(1,507)
Cost of stocks recognised as an expense	19,711,183	19,178,163
Operating lease charges	3,317,965	3,237,393
	<u> </u>	<u> </u>

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	51,000	42,875
For other services		
All other non-audit services	40,416	67,475

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Administration	47	41	-	-
Distribution and sales	371	327	-	-
	418	368	-	-

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	6,877,058	6,437,971	-	-
Social security costs	547,862	479,582	-	-
Pension costs	45,868	29,753	-	-
	7,470,788	6,947,306	-	-

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	384,691	389,655

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	137,919	154,471

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

7 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	14,353	37,224
Other interest receivable	55,502	-
Other interest income	-	75
Total income	69,855	37,299

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on finance leases and hire purchase contracts	588	3,702
Other interest payable	20,417	87,605
Total finance costs	21,005	91,307

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	251,289	376,854
Adjustments in respect of prior periods	(18,121)	6,150
Total current tax	233,168	383,004
Deferred tax		
Origination and reversal of timing differences	3,309	12,959
Previously unrecognised tax loss, tax credit or timing difference	-	244,163
Adjustment in respect of prior periods	(30,942)	-
Total deferred tax	(27,633)	257,122
Total tax charge for the year	205,535	640,126

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 Taxation

(Continued)

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

	2018 £	2017 £
Profit before taxation	1,087,516	1,779,087
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	206,628	351,370
Tax effect of expenses that are not deductible in determining taxable profit	56,571	28,251
Tax effect of income not taxable in determining taxable profit	-	28
Adjustments in respect of prior years	(15,896)	3,061
Effect of change in corporation tax rate	(434)	(28,819)
Depreciation on assets not qualifying for tax allowances	39,103	32,260
Research and development tax credit	(46,670)	(14,045)
Deferred tax adjustments in respect of prior years	(33,767)	-
Deferred tax on property revaluation	-	268,020
Taxation charge for the year	205,535	640,126

11 Dividends

	2018 £	2017 £
Final paid	-	1,200,000

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

12 Intangible fixed assets

Group	Website development costs
	£
Cost	
At 1 July 2017	136,353
Additions	269,754
At 30 June 2018	406,107
Amortisation and impairment	
At 1 July 2017 and 30 June 2018	-
Carrying amount	
At 30 June 2018	406,107
At 30 June 2017	136,353

The company had no intangible fixed assets at 30 June 2018 or 30 June 2017.

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 2017	5,150,000	2,202,668	3,838,367	329,377	11,520,412
Additions	-	1,205,516	607,303	22,500	1,835,319
Disposals	-	-	-	(17,950)	(17,950)
Transfers	-	92,352	(92,352)	-	-
At 30 June 2018	5,150,000	3,500,536	4,353,318	333,927	13,337,781
Depreciation and impairment					
At 1 July 2017	103,000	1,960,698	2,563,323	162,692	4,789,713
Depreciation charged in the year	103,000	331,803	270,900	43,547	749,250
Eliminated in respect of disposals	-	-	-	(15,854)	(15,854)
At 30 June 2018	206,000	2,292,501	2,834,223	190,385	5,523,109
Carrying amount					
At 30 June 2018	4,944,000	1,208,035	1,519,095	143,542	7,814,672
At 30 June 2017	5,047,000	241,970	1,275,045	166,685	6,730,700

The company had no tangible fixed assets at 30 June 2018 or 30 June 2017.

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Fixtures and fittings	58,351	68,649	-	-
Computers	54,108	72,144	-	-
	<u>112,459</u>	<u>140,793</u>	<u>-</u>	<u>-</u>
Depreciation charge for the year in respect of leased assets	<u>28,334</u>	<u>29,079</u>	<u>-</u>	<u>-</u>

Freehold property is held at fair value which is based upon a market valuation undertaken on the properties on 4 October 2016 by S. Kershaw & Son Chartered Surveyors totalling £5,150,000. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors consider that this valuation is still appropriate at the balance sheet date.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Cost	4,185,000	4,185,000	-	-
Accumulated depreciation	(441,000)	(392,000)	-	-
Carrying value	<u>3,744,000</u>	<u>3,793,000</u>	<u>-</u>	<u>-</u>

14 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	15	-	-	18,006	18,005

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 July 2017

18,005

Additions

1

At 30 June 2018

18,006

Carrying amount

At 30 June 2018

18,006

At 30 June 2017

18,005

15 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ellis Brigham Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham Mountain Sports Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham (Meadowhall) Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham Leases Limited	England	Retail sales	Ordinary	100.00	
EB2092 Limited	England	Retail sales	Ordinary	100.00	
EB2003 Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham ONC 28 Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham ONC 38 Limited	England	Retail sales	Ordinary	100.00	
Ellis Brigham Property Holdings Limited	England	Property management	Ordinary	100.00	
Ellis Brigham Tamworth Limited	England	Retail sales	Ordinary	100.00	
Outsiders Store Limited	England	Retail sales	Ordinary	100.00	
EB Covent Garden Ltd	England	Dormant	Ordinary	100.00	
EBBN Ltd	England	Dormant	Ordinary	100.00	

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	495,647	875,436	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	4,137,979	5,559,972	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	6,205,257	5,531,588	-	-

A movement in the stock provision of £3,013 (2017: £175,394) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	37,006	59,702	-	-
Corporation tax recoverable	466	-	-	-
Amounts owed by group undertakings	-	-	5,997,252	3,256,103
Other debtors	65,091	172,826	2	2
Prepayments and accrued income	2,557,344	2,525,095	16	16
	2,659,907	2,757,623	5,997,270	3,256,121
Deferred tax asset (note 21)	-	21,387	-	-
	2,659,907	2,779,010	5,997,270	3,256,121
Amounts falling due after more than one year:				
Other debtors	393,550	642,908	-	-
Total debtors	3,053,457	3,421,918	5,997,270	3,256,121

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

19 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases		1,998	7,826	-	-
Trade creditors		2,423,111	2,396,257	-	-
Amounts due to group undertakings		-	-	185,166	345,200
Amounts due to undertakings in which the group has a participating interest		70,915	73,429	-	-
Corporation tax payable		-	197,695	28,117	23,157
Other taxation and social security		407,873	683,452	600	-
Dividends payable		-	1,199,931	-	1,200,000
Other creditors		641,482	1,880,375	21,803	456,977
Accruals and deferred income		1,519,063	1,571,904	113	113
		<u>5,064,442</u>	<u>8,010,869</u>	<u>235,799</u>	<u>2,025,447</u>

Obligations under finance leases and hire purchase agreements are secured on the assets to which they relate.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases		-	2,154	-	-
Preference shares		1,000,000	-	1,000,000	-
		<u>1,000,000</u>	<u>2,154</u>	<u>1,000,000</u>	<u>-</u>

During the year the company issued 1,000,000 £1 preference shares at par. The terms of this issue provide that they are redeemable at the option of the shareholder and that each share is entitled to a preference dividend payment at a rate of 3% above the base rate.

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Group				
Accelerated capital allowances	19,885	68,905	-	21,387
Revaluations	244,163	244,163	-	-
	<u>264,048</u>	<u>313,068</u>	<u>-</u>	<u>21,387</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 July 2017	291,681	-
Credit to profit or loss	(27,633)	-
Liability at 30 June 2018	<u>264,048</u>	<u>-</u>

22 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>45,868</u>	<u>29,753</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £14,570 (2017: £nil) included within other creditors were payable to the fund at the balance sheet date.

23 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
17,502 Ordinary shares of £1 each	<u>17,502</u>	<u>17,502</u>

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

23 Share capital

(Continued)

All the shares have equal voting rights to distributions and a right to attend a general meeting of the company.

24 Reserves

Profit and loss reserves

The profit and loss account represents accumulated trading profits less equity dividends paid. Included within the profit and loss reserves are non distributable reserves of £1,210,000 arising from the revaluation of properties within the group.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	3,646,300	3,495,348	-	-
Between two and five years	11,852,950	10,528,200	-	-
In over five years	9,626,858	7,670,721	-	-
	<u>25,126,108</u>	<u>21,694,269</u>	<u>-</u>	<u>-</u>

26 Controlling party

There is not considered to be an ultimate controlling party.

ELLIS BRIGHAM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

27 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	881,981	1,138,961
Adjustments for:		
Taxation charged	205,535	640,126
Finance costs	21,005	91,307
Investment income	(69,855)	(37,299)
Loss/(gain) on disposal of tangible fixed assets	297	(1,514)
Depreciation and impairment of tangible fixed assets	749,250	429,550
Movements in working capital:		
(Increase) in stocks	(673,669)	(321,305)
Decrease/(increase) in debtors	347,540	(186,512)
(Decrease)/increase in creditors	(1,542,973)	213,156
Cash (absorbed by)/generated from operations	(80,889)	1,966,470