

**Bart Spices Holdings Limited**

**Annual report and financial statements**

**Registered number 07116532**

**31 March 2017**



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## **Strategic Report**

The principal activity of Bart Spices Holdings Limited during the year was that of an investment holding company.

### **Risk analysis**

The Directors have reviewed the investments of the Company and carried out a risk assessment based on cash flow, legislation, price and liquidity and are satisfied with the investment risk.

The Company funds its business model using term loans (held in the Company) under an agreement with its bank, from which it has provided funds to its trading subsidiary, The Bart Ingredients Co. Limited. In addition, there exists £13.2 million (2016: £13.2 million) of loan notes payable in principal by the Company, of which £12.2 million (2016: £12.2 million) are listed on the Channel Islands Securities Exchange. The principal value of the listed loan notes is split into two tranches, one of £11,915,000 and one of £285,000, with these tranches listed separately. The interest posted to the profit and loss account is a non-cash transaction and the investment in the Company is supported by the on-going profitability of its trading subsidiary, The Bart Ingredients Co. Ltd.

On 21 September 2016, as part of a review of the Company's capital structure, Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited approved the write-off of loan note interest totalling £1,166,000 which had been owed to them by the Company.

The shareholder deficit of £12.6 million (2016: £10.7 million) is due to interest on the investment loan notes and the impairment of the investment balance in a previous reporting period which is non-cash and therefore carries acceptable risk.

By order of the board



**David Collard**  
*Director*

2 August 2017

## **Directors' report**

The directors present their Directors' Report and financial statements for the year ended 31 March 2017.

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2016: nil).

### **Directors**

The directors who held office during the year were as follows:

DJ Collard  
AC Sills  
D Mead (appointed 26 October 2016)  
AEB Wiegman

### **Political contributions**

The Company made no political donations during the year (2016: £nil).

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**David Collard**  
*Director*

Charles House  
5-11 Regent Street  
London  
SW1Y 4LR

2 August 2017

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE  
United Kingdom

## **Independent auditor's report to the members of Bart Spices Holdings Limited**

We have audited the financial statements of Bart Spices Holdings Limited for the year ended 31 March 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Independent auditor's report to the members of Bart Spices Holdings Limited**  
*(continued)*

**Matters on which we are required to report by exception**

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

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

*Kate Teal*

**Kate Teal (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

18 August 2017

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	2016 £000
Administrative expenses	2	(8)	(36)
<b>Operating loss</b>		<b>(8)</b>	<b>(36)</b>
Interest payable and similar expenses	3	(3,003)	(2,683)
<b>Loss on before taxation</b>		<b>(3,011)</b>	<b>(2,719)</b>
Tax on loss	4	-	-
<b>Loss for the financial year</b>		<b>(3,011)</b>	<b>(2,719)</b>


There is no other income or losses other than that disclosed above.



**Balance Sheet**  
*at 31 March 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>£000</b>	<b>2016</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	5		<b>11,382</b>		11,382
			<hr/>		<hr/>
			<b>11,382</b>		11,382
<b>Current assets</b>					
Debtors	6	-		1	
Cash at bank and in hand	7	-		1	
		<hr/>		<hr/>	
		-		2	
<b>Creditors: amounts falling due within one year</b>	8	<b>(1,589)</b>		<b>(1,317)</b>	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			<b>(1,589)</b>		<b>(1,315)</b>
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>9,793</b>		<b>10,067</b>
<b>Creditors: amounts falling due after more than one year</b>	9		<b>(22,373)</b>		<b>(20,802)</b>
			<hr/>		<hr/>
<b>Net liabilities</b>			<b>(12,580)</b>		<b>(10,735)</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	11		<b>86</b>		86
Share Premium			<b>6,096</b>		6,096
Capital contribution reserve	12		<b>1,166</b>		-
Profit and loss account			<b>(19,928)</b>		<b>(16,917)</b>
			<hr/>		<hr/>
<b>Shareholders' deficit</b>			<b>(12,580)</b>		<b>(10,735)</b>
			<hr/>		<hr/>

These financial statements were approved by the board of directors on **2** August 2017 and were signed on its behalf by:

  
**Damien Mead**  
*Director*  
 Company registered number: 07116532

## Statement of Changes in Equity

	<b>Called up Share capital £000</b>	<b>Share Premium £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit &amp; loss account £000</b>	<b>Total equity £000</b>
Balance at 1 April 2015	86	6,096	-	(14,198)	(8,016)
<b>Total comprehensive income for the period</b>					
Loss for the year	-	-	-	(2,719)	(2,719)
<b>Balance at 31 March 2016</b>	<b>86</b>	<b>6,096</b>	<b>-</b>	<b>(16,917)</b>	<b>(10,735)</b>

	<b>Called up Share capital £000</b>	<b>Share Premium £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit &amp; loss account £000</b>	<b>Total equity £000</b>
Balance at 1 April 2016	86	6,096	-	(16,917)	(10,735)
<b>Total comprehensive income for the period</b>					
Loss for the year	-	-	-	(3,011)	(3,011)
<b>Transactions with owners recorded directly in equity</b>					
Loan note interest write-off	-	-	1,166	-	1,166
<b>Balance at 31 March 2017</b>	<b>86</b>	<b>6,096</b>	<b>1,166</b>	<b>(19,928)</b>	<b>(12,580)</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Bart Spices Holdings Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Bart Spices Group Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bart Spices Group Holdings Limited are available to the public and may be obtained from Charles House, 5-11 Regent Street, London, SW1Y 4LR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Bart Spices Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £1,589,000 and net liabilities of £12,580,000 which the directors believe to be appropriate for the following reasons.

The Company is a holding company and is therefore dependent for its working capital on funds provided to it by the Group. The Company’s ultimate parent, Bart Spices Group Holdings Limited, has confirmed that for the foreseeable future and at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to meet its liabilities. The parent company has made available to the directors copies of its latest management accounts and forecasts for the year ending 31 March 2017. The directors consider that the Group should be able to operate within the limits of its current funding and covenant requirements. After making enquiries, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statement on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### **1.3 Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **1.4 Basic financial instruments**

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### **1.5 Impairment**

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### **1.5 Impairment** *(continued)*

##### *Non-financial assets*

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **1.6 Expenses**

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable on bank loans and loan notes. Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

#### **1.7 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 2 Expenses and auditor's remuneration

Auditor's remuneration was borne by another group company in respect of the current and prior period. The directors estimate the amount attributable to this entity to be £1,000 (2016: £1,000).

Directors remuneration was borne by another group company in respect of the current and prior period. The directors estimate the amount attributable to this entity to be £3,000 (2016: £3,000).

Expenses of £nil related to the restructuring of the groups finance facility (2016: £34,000).

### 3 Interest payable and similar expenses

	2017 £000	2016 £000
Bank loan interest	57	51
Loan note interest	2,946	2,632
	<hr/>	<hr/>
Total other interest payable and similar expenses	3,003	2,683
	<hr/> <hr/>	<hr/> <hr/>

Of the above amount £2,117,000 (2016: £1,861,000) was payable to group undertakings.

### 4 Taxation

#### Reconciliation of effective tax rate

	2017 £000	2016 £000
Loss for the year	(3,011)	(2,719)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 20 % (2016 :20%)	(602)	(544)
Non-deductible expenses	602	527
Deferred tax not recognised	-	12
Adjustment of closing deferred tax to average rate of 20%	-	5
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/> <hr/>	<hr/> <hr/>

The company has accumulated unrecognised tax losses of £235,000 (2016: £235,000) which it has not recognised due to the uncertainty of future profits.

#### *Factors that may affect future current and total tax charges*

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 5 Fixed asset investments

	Subsidiary undertakings £000
<i>Cost</i>	
At beginning and end of year	14,882
<i>Provisions</i>	
At beginning and end of year	(3,500)
<i>Net book value</i>	
At beginning and end of year	<u>11,382</u>

The Company has the following investments in subsidiaries which are both incorporated in the UK:

	Aggregate of capital and reserves	Profit/(loss) for the year	Class of shares held	Ownership 2016	Ownership 2016
	£000	£000		%	%
Seebeck 30 Limited	1,350	-	Ordinary	100	100
The Bart Ingredients Co Limited*	6,950	907	Ordinary	100	100

\*Bart Spices Holdings Limited has direct ownership of Seebeck 30 Limited who has a 100% shareholding of The Bart Ingredients Co. Limited.

The registered address of Seebeck 30 Limited and The Bart Ingredients Co. Limited is: York Road, Bedminster, Bristol BS3 4AD.

### 6 Debtors

	2017 £000	2016 £000
Prepayments and accrued income	-	1

The debtor balance is due within one year.

### 7 Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	-	1

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Bank loans	286	286
Amounts owed to group undertakings	1,303	1,024
Accruals and deferred income	-	7
	<u>1,589</u>	<u>1,317</u>

### 9 Creditors: amounts falling after more than one year

	2017 £000	2016 £000
Bank loans	972	1,180
Loan Notes	21,401	19,622
	<u>22,373</u>	<u>20,802</u>

### 10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 £000	2016 £000
<b>Creditors falling due within more than one year</b>		
Secured bank loans	972	1,180
Loan Notes	21,401	19,622
	<u>22,373</u>	<u>20,802</u>
<b>Creditors falling due within less than one year</b>		
Secured bank loans	286	286
Loan notes	-	-
	<u>286</u>	<u>286</u>

Bank loans include a term loan of £737,000 that is repayable on a quarterly basis at £13,725 per quarter and which attracts interest at LIBOR plus 3.5% and an acquisition loan of £525,000 that is repayable on a quarterly basis at £57,822 per quarter and which attracts interest at LIBOR plus 3.50%. The total balance of £1,257,000 includes unamortised arrangement fees of £5,000 (2016: £8,000) and amounts repayable after five years of £nil.

The bank loans are secured by way of a debenture over the assets of The Bart Ingredients Co. Limited and a first fixed charge over the freehold and leasehold property of The Bart Ingredients Co. Limited.

In May 2015 £1,000,000 of priority loan notes were issued that attract interest at 20% and are repayable in 2021. The pre-existing loan notes attract interest at 15% per annum and are also repayable in 2021. On 21 September 2016, the board agreed that accumulated interest of £1,166,000 owed by Bart Spices Holdings Limited to Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited would be written off.

The loan note balance at 31 March 2017 of £21,401,000 includes rolled up interest of £8,325,000 (2016: £6,575,000) and unamortised arrangement fees of £124,000 (2016: £153,000). The Company has not entered into any interest swap transaction within the year.



## Notes (continued)

### 11 Capital and reserves

#### Share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
85,859 ordinary shares of £1 each	86	86
	<hr/>	<hr/>
Shares classified in shareholders' funds	86	86
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There are 6 deferred ordinary shares issued outside of the immediate group, the holders of these shares are not entitled to attend or vote at meetings of the Company.

### 12 Capital contribution reserve

On 21 September 2016, Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited approved the write-off of loan note interest totalling £1,166,000 which had been owed to them by the Company. These entities collectively hold a controlling interest in Bart Spices Group Holdings Limited, and the directors consider it unlikely that a similar write-off would have been permitted by an unrelated third party. As such, the write-off has been recognised as a contribution of capital to the Company by Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited and a capital contribution reserve recognised accordingly.

### 13 Financial instruments

#### Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2017 £000	2016 £000
Liabilities measured at amortised cost	23,962	21,807
	<hr/>	<hr/>

### 14 Contingencies

The company is included within the groups VAT registration scheme, which incorporates the ultimate and intermediate parent companies and the company's subsidiary. As such, the company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. As 31 March 2017 this amounted to £nil. (2016: £nil).

## Notes (continued)

### 15 Related parties

#### *Identity of related parties with which the Company has transacted*

Loan notes totalling £12,200,000 were issued on 5 May 2010 at an interest rate of 15% per annum. On 13 May 2015 a further £1,000,000 of loan notes were issued at an interest rate of 20% per annum.

On 21 September 2016, Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited approved the write-off of loan note interest totalling £1,166,000 which had been owed to them by the Company (note 12).

At the year end, the loan note obligations were as follows:

	2017 Loan principal £000	Rolled-up Interest £000	Total £000	2016 Loan principal £000	Rolled-up Interest £000	Total £000
Bart Spices Group Holdings Limited	9,360	7,027	16,387	9,360	4,911	14,271
Langholm Capital Nominees Limited	3,689	1,200	4,889	3,689	1,588	5,277
Langholm Capital CIP Nominees Limited	37	12	49	37	16	53
S Esom	47	36	83	47	25	72
D Collard	14	10	24	14	7	21
K Crossley	14	10	24	14	7	21
K Campbell	13	10	23	13	7	20
J Dorman	13	10	23	13	7	20
J Peat	13	10	23	13	7	20
	<u>13,200</u>	<u>8,325</u>	<u>21,525</u>	<u>13,200</u>	<u>6,575</u>	<u>19,775</u>

Loan notes of £12,200,000 are listed on the Channel Islands Securities Exchange.

### 16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of The Bart Spices Group Holdings Limited. The ultimate controlling party is Langholm Capital Nominees Limited by virtue of its majority shareholding in Bart Spices Group Holdings Limited.

The Company's immediate and ultimate parent undertaking is Bart Spices Group Holdings Limited. The registered office of the ultimate parent company is Charles House First Floor, 5-11 Regent Street, London, SW1Y 4LR. The largest and smallest group in which the results of the Company are consolidated is that headed by Bart Spices Group Holdings Limited. The consolidated accounts of this company are available to the public and can be obtained from York Road, Bedminster, Bristol, BS3 4AD.

### 17 Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### *Impairment calculations*

Investments are subject to impairment when there are indicators, such as; the net assets of the underlying company being less than the carrying value of the investments, adverse trading conditions in the underlying investment or significant losses in the year in the underlying investment.

Management use forecast EBITDA and an EBITDA multiple to estimate the level of any required impairment to the carrying value of investments. Changes to these judgements could result in changes to profit or loss for the period and the carrying value of the investment.

No impairment charge incurred as a result of the impairment test as at 31 March 2017 (2016: £nil).