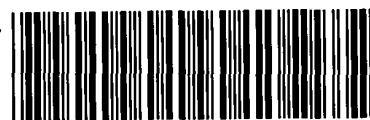


Registered number:
200917

NAPIER BROWN HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

MONDAY



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LD4 04/12/2017 #39
COMPANIES HOUSE

NAPIER BROWN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P G Ridgwell A P Ridgwell A S P Drake
Company secretary	A P Ridgwell
Registered number	200917
Registered office	International House 1 St Katherine's Way London E1W 1XB
Independent auditor	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

NAPIER BROWN HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7 - 8
Statement of changes in equity	9
Notes to the financial statements	10 - 25

NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity

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

Business review

A satisfactory return for the financial year ending 31 March 2017 with a profit of £1,834,000.

Low interest rates have continued to offer comfort and support to both equity and property markets and risk assets in general. We have maintained a strong property bias but are not seeking to increase our exposure as some projects are not maturing as quickly as anticipated. We do not see interest rates staying low for much longer as central banks bring to an end their quantitative easing programmes and as a consequence we must recognise that there is a distinct risk that the respective bull markets may be nearing the end of their respective cycles. We think it prudent to reinforce a degree of liquidity within the overall book whilst still maintaining a presence in the traditional asset classes.

Hopefully some further secured lending and private equity will continue to play a part as will some of our alternative assets such as, sovereign rarities (historic gold coins).

2017/18 is likely to prove a tougher economic environment and a diversified book will be as important if not more so than in 2016/17 as we seek a satisfactory risk adjusted return in uncertain political times with no assurance as to how Brexit will impact upon investors.

Directors

The directors who served during the year were:

P G Ridgwell
A P Ridgwell
A S P Drake

Financial risk management

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

Disclosure of information to auditor

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

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

NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies' regime

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime as set out within Part 15 of the Companies Act 2006.

This report was approved by the board on 27/9/17 and signed on its behalf.



Anthony Ridgwell
Director

NAPIER BROWN HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NAPIER BROWN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAPIER BROWN HOLDINGS LIMITED

We have audited the financial statements of Napier Brown Holdings Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "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 on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

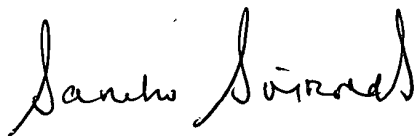
NAPIER BROWN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAPIER BROWN 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Sancho Simmonds (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 28 September 2017

NAPIER BROWN HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £000	2016 £000
Turnover		1,599	1,426
Administrative expenses		(1,391)	(1,407)
OPERATING PROFIT	4	208	19
Profit on disposal of investments		2,312	1,983
Interest receivable and similar income	7	493	398
Interest payable and expenses	8	(5,164)	(1,813)
Fair value gain/(loss) on investments		4,292	(328)
Fair value (loss)/gain on forward currency contracts		(142)	500
PROFIT BEFORE TAX		1,999	759
Tax on profit	9	(165)	64
PROFIT FOR THE FINANCIAL YEAR		1,834	823
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,834	823

All amounts relate to continuing operations.

The notes on pages 10 to 25 form part of these financial statements.

NAPIER BROWN HOLDINGS LIMITED
REGISTERED NUMBER: 200917

BALANCE SHEET
AS AT 31 MARCH 2017

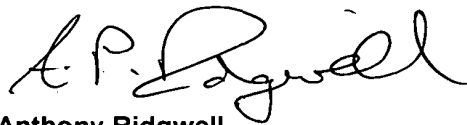
	Note	2017 £000	2016 £000
FIXED ASSETS			
Tangible assets	10	4	5
Investments	11	72,493	82,465
Investment property	12	6,570	6,688
		<u>79,067</u>	<u>89,158</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	1,608	1,703
Cash at bank and in hand	14	3,356	1,944
		<u>4,964</u>	<u>3,647</u>
Creditors: amounts falling due within one year	15	(2,617)	(12,691)
NET CURRENT ASSETS/(LIABILITIES)		<u>2,347</u>	<u>(9,044)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>81,414</u>	<u>80,114</u>
Creditors: amounts falling due after more than one year	16	(37,994)	(38,765)
PROVISIONS FOR LIABILITIES			
Deferred tax liabilities	18	(892)	(655)
		<u>(892)</u>	<u>(655)</u>
NET ASSETS		<u><u>42,528</u></u>	<u><u>40,694</u></u>

NAPIER BROWN HOLDINGS LIMITED
REGISTERED NUMBER: 200917

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
CAPITAL AND RESERVES			
Called up share capital	19	4,376	4,376
Share premium account	20	775	775
Fair value reserve	20	10,755	7,604
Other reserves	20	6,172	6,172
Retained earnings	20	20,450	21,767
		<u>42,528</u>	<u>40,694</u>

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



Anthony Ridgwell
Director

27/9/17.

The notes on pages 10 to 25 form part of these financial statements.

NAPIER BROWN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Share premium account	Fair value reserve	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015	4,376	775	6,802	6,172	21,746	39,871
Profit for the financial year	-	-	-	-	823	823
Transfer from retained earnings	-	-	802	-	(802)	-
Balance at 1 April 2016	<u>4,376</u>	<u>775</u>	<u>7,604</u>	<u>6,172</u>	<u>21,767</u>	<u>40,694</u>
Profit for the financial year	-	-	3,927	-	(2,093)	1,834
Transfer to retained earnings	-	-	(776)	-	776	-
Balance at 31 March 2017	<u>4,376</u>	<u>775</u>	<u>10,755</u>	<u>6,172</u>	<u>20,450</u>	<u>42,528</u>

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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

1.2 Going concern

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

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

1.3 Accounting convention

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

1.4 Turnover

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

1.5 Operating leases

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

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

1.6 Tangible fixed assets and depreciation

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

Fixtures & fittings - 4 years

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies (continued)

1.7 Impairment of non-financial assets

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

1.8 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Investment properties

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

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

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

1.10 Other fixed asset investments

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

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

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

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies (continued)

1.11 Taxation

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

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

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

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

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

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

1.12 Financial instruments

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

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

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

Cash and cash equivalents are classified as basic financial instruments.

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

The company uses forward currency exchange contracts, to reduce exposure to foreign exchange risk. Forward currency exchange contracts are initially recognised at fair value at the date the

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies (continued)

1.12 Financial instruments (continued)

contract is entered into and subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when:

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

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

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

1.13 Foreign currency translation

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

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Key sources of estimation uncertainty and judgements

a) Judgements

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

i) *Recognition of investment property transactions*

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

ii) *Financial instruments classification*

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

b) Key sources of estimation uncertainty

i) *Market valuation of investment properties*

In preparing these financial statements, a key accounting judgement relates to the carrying value of the properties, which are stated at fair value at amounts disclosed in note 12. The company uses external professional advice in determining relevant amounts. The primary source of evidence for property valuations should be recent, comparable market transactions on an arms-length basis. However, the valuation of the company's property is inherently subjective, as it is made on the basis of assumptions made by the directors which may not prove to be accurate.

ii) *Unquoted investments*

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

3. Turnover

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation - fixtures & fittings	1	2
Auditor's remuneration	27	28
Director's emoluments	<u>257</u>	<u>261</u>

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Staff costs

	2017 £000	2016 £000
Staff salaries	430	354
Social security costs	56	46
Other pension costs	54	90
	540	490

The average monthly number of employees, including the directors, during the year was 6 (2016: 6).

6. Director's remuneration

	2017 £000	2016 £000
Remuneration	257	261
Social security costs	31	36
	275	297

Company pension contributions to defined contribution pension schemes - 40

The highest paid director received remuneration of £139,000 (2016: £193,000).

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pension schemes.

7. Interest receivable and similar income

	2017 £000	2016 £000
Other interest receivable	493	398

8. Interest payable and similar charges

	2017 £000	2016 £000
On other loans	452	547
Loss on foreign exchange	4,712	1,266
	5,164	1,813

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Taxation

	2017	2016
	£000	£000
Current taxation		
UK Corporation tax charge on profits for the year	-	-
Corporation tax in respect of prior periods	-	(122)
Overseas tax recoverable	(58)	-
Tax on profit for the year	(58)	(122)
Deferred tax		
Origination and reversal of timing differences	223	58
Tax charge/(credit) for the year	165	(64)
Factors affecting tax charge for the year		
	2016	2016
	£000	£000
Profit before tax	1,999	759
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	400	151
Effects of:		
Expenses not deductible for tax purposes	813	52
Other permanent differences	(2,020)	1
Income not chargeable for tax purposes	-	(406)
Adjustments to tax charge in respect of previous periods	(58)	(122)
Adjustments to tax charge in respect of previous periods – deferred tax	146	(66)
Adjust closing deferred tax to average rate of 20%	392	191
Adjust opening deferred tax to average rate of 20%	(185)	-
Deferred tax not recognised	677	167
Capital gains on realisation of investments	-	(32)
Tax charge for the year	165	(64)

Factors that may affect future tax charges

The company has carried forward tax losses as set out in note 18 which may impact future tax charges.

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Tangible fixed assets

	Fixtures & fittings £000
Cost or valuation	
At 1 April 2016 and at 31 March 2017	<u>122</u>
Depreciation	
At 1 April 2016	117
Charge for the year on owned assets	1
At 31 March 2017	<u>118</u>
Net book value	
At 31 March 2017	<u><u>4</u></u>
At 31 March 2016	<u><u>5</u></u>

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 April 2016	47,400	18,248	16,817	82,465
Additions	7,105	5,360	-	12,465
Disposals	(24,357)	(2,490)	-	(26,847)
Revaluations	2,540	1,870	-	4,410
At 31 March 2017	<u>32,688</u>	<u>22,988</u>	<u>16,817</u>	<u>72,493</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity Investment Holdings
NB Ingredients Limited	United Kingdom	Ordinary	100%	
NB Chilled Limited	United Kingdom	Ordinary	100%	Dormant
Stapehill Enterprises Limited	United Kingdom	Ordinary	100%	Property Rental
NB Food Technology	United Kingdom	Ordinary	100%	Dormant
NB Fruit	United Kingdom	Ordinary	100%	Dormant
CPP Limited	United Kingdom	Ordinary	100%	Dormant
General Sugar Traders Limited	United Kingdom	Ordinary	100%	Dormant
A de Schapp Limited	United Kingdom	Ordinary	100%	Dormant

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
NB Ingredients Limited	9,476	(4,358)
NB Chilled Limited	-	-
Stapehill Enterprises Limited	4,681	(4)
NB Food Technology	50	-
NB Fruit	4,591	-
CPP Limited	1,503	-
General Sugar Traders Limited	1	-
A de Schapp Limited	-	-

The registered office of each of the above named subsidiaries was International House, 1 St Katherine's Way, London, E1W 1XB.

12. Investment property

	Investment property £000
Valuation	
At 1 April 2016	6,688
Deficit on revaluation	(118)
At 31 March 2017	<u>6,570</u>

The valuation of investment properties of the company at 31 March 2017 was carried out by the directors with the assistance of an independent external valuer. This valuation was on the basis of fair value in accordance with FRS 102.

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Debtors

	2017 £000	2016 £000
Trade debtors	87	-
Other debtors	1,247	1,487
Prepayments and accrued income	70	26
Deferred tax asset (note 18)	204	190
	<u>1,608</u>	<u>1,703</u>

14. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	<u>3,356</u>	<u>1,944</u>

15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Bank loans	960	11,301
Trade creditors	19	27
Other creditors	87	11
Accruals and deferred income	351	294
Fair value liability on forward currency contracts	1,200	1,058
	<u>2,617</u>	<u>12,691</u>

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017 £000	2016 £000
Bank loans	3,842	1,600
Amounts due to group undertakings	13,970	14,088
Loans due to related undertakings	12,266	15,374
Accrued interest on loans due to related undertakings	7,916	7,703
	37,994	38,765

	2017 £000	2016 £000
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Borrowings included in the above are amounts falling due as follows:

Between one and two years

Bank loans	100	300
Loans from related undertakings	20,182	23,077
	20,282	23,377

Between two and five years

Bank loans	300	1,300
	300	1,300

Over five years

Bank loans	3,442	-
	3,442	-

Interest is payable on the bank loan at 2.5% above LIBOR.

Interest is payable on the loan from related undertakings at 1.5% per annum.

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. Financial instruments

	2017 £000	2016 £000
Financial assets held at undiscounted cost:		
Other debtors	1,247	1,487
Unquoted investments	22,988	18,248
Cash and cash equivalents	3,356	1,944
	27,591	21,679
Financial assets held at fair value through profit and loss:		
Quoted investments	32,688	47,400
Financial liabilities held at undiscounted cost:		
Trade and other creditors	106	38
Accruals (excluding deferred income)	351	294
	457	332
Financial liabilities held at fair value through profit and loss:		
Fair value liability on forward currency contracts	1,200	1,058
Financial liabilities held at amortised cost:		
Bank loans	4,802	12,901
Amounts due to group undertakings	13,970	14,088
Other loans due to related undertakings	12,266	15,374
Accrued interest on loans due to related undertakings	7,916	7,703
	38,954	50,066

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18. Deferred tax

	2017 £000	2016 £000
a. Deferred tax asset		
Deferred tax liability on revaluation of investments	(1,222)	(966)
Deferred tax asset on capital losses available	2,992	3,056
Unprovided deferred tax asset	1,770	2,090

The company has capital losses carried forward of £17.6million (2016: £17.0m), and non-trade relationship losses of £3.8m.

Deferred tax asset on forward currency contract (note 13)	204	190
	2017 £000	2016 £000

b. Deferred tax liability

At 1 April 2016	655	686
Deferred tax charge on revaluation of investments	237	(31)
At 31 March 2017	892	655

19. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
16,496,000 - A Ordinary shares of 25p voting shares of £0.25 each	4,124	4,124
1,008,000 - B Ordinary shares of 25p voting shares of £0.25 each	252	252
	4,376	4,376

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

20. Reserves

Share premium account

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

Fair value reserve

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

Other reserves

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

Retained earnings

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

21. Capital commitments

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

Napier Brown Holdings currently has £7.5 million (2016: £3.8 million) that may be drawn by the various managers over the next 5-6 years. Historically these managers draw down no more than 80% of the commitment.

22. Operating lease commitments

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Expiry date:		
Within 1 year	9	53
Between 2 and 5 years	-	9
	<u>9</u>	<u>62</u>

NAPIER BROWN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

23. Pension commitments

The Company participates in the Napier Brown Retirement Benefits Plan, a multi employer defined benefit scheme which Napier Brown Foods plc took responsibility for, at the time of a group reorganisation on 18 December 2003. The last formal valuation of the scheme was performed at 31 March 2012 in accordance with the scheme funding requirements of the Pensions Act 2004. The fair value of the Scheme's assets at the 31 March 2012 was £16.005 million and there was an actuarial surplus of £96,000. The estimated fair value as at 31 March 2017 was £13.946 million (2016: £15.013 million) and there was an actuarial deficit of £5.894 million (2016: £6.081 million).

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

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

24. Related party transactions

P G Ridgwell and A P Ridgwell, directors of Napier Brown Holdings Limited, control the company as a result of controlling directly and indirectly 95.37% of the issued share capital of the company at 31 March 2017. P G Ridgwell and A P Ridgwell are trustees of RGST which owns 88.46% of the ordinary shares of the Company.

During the year ended 31 March 2017 Napier Brown Holdings Limited charged Stapehill Enterprises Limited, a subsidiary of the company, £1,200 (2016: £1,200) in relation to payroll and accounting services. Stapehill Enterprises Limited provides a loan to the company, the amount outstanding at 31 March 2017 was £4,093,351 (2016: £4,219,351).

During the year ended 31 March 2017 interest of £213,000 (2016: £257,000) was accrued by Napier Brown Holdings Limited in respect of its borrowings from RGST.

The related party balances outstanding at 31 March 2017 and the transactions for the year then ended were:

	2017	2016
	£000	£000
Loan from RGST	12,266	15,375
Accrued interest RGST	7,916	7,703
Amounts due to group undertakings	13,970	14,088

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