

Registered number: 01444906

*Parent co's for
IL PARAGIO LIMITED
8875058*

STEERPIKE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



STEERPIKE LIMITED

COMPANY INFORMATION

DIRECTORS	G M Sumner T Styler Sumner F C Fowler
COMPANY SECRETARY	T S Sumner and A M Sumner
REGISTERED NUMBER	01444906
REGISTERED OFFICE	Tower Bridge House St Katharine's Way London E1W 1DD
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Dashwood House 69 Old Broad Street London EC2M 1QS
BANKERS	HSBC Private Bank (UK) Limited 78 St James' Street London SW1A 1JB
COUNTRY OF INCORPORATION	United Kingdom

STEERPIKE LIMITED

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STEERPIKE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The Directors present the strategic report and financial statements for the year ended 31 December 2016.

BUSINESS REVIEW

There were no significant changes to the Group's activities during the year under review.

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The Group has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the group by monitoring levels of cash and performing a thorough appraisal of any potential new projects. The Group does not use derivative financial instruments or manage interest rate costs and, as such, no hedge accounting is applied

Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Group's finance department implements policies set by the Board of Directors. The department has specific guidelines agreed by the directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit Risk

With the exception of inter Group debtors, the amount of exposure to any individual counterparty is limited. All credit risk exposure, including inter Group indebtedness, is assessed continually by the Board.

Liquidity and cash flow risk

The Group maintains a mixture of long term and short term debt finance that is to ensure the Group has sufficient available funds for operations and planned expansions. Any new debt finance would have to be approved by the Board of Directors before it was taken on. The Group has net liabilities but the Directors prepare the financial statements on the going concern basis as the Group has the financial support of the majority shareholder.

Interest rate risk

The Group has interest bearing assets. Interest bearing assets include only cash and deposits that earn interest based on prevailing bank rates.

Price risk

Expenditure made by the group is authorised by management prior to it being made in order to ensure that goods and services are not obtained at a higher price than necessary.

STEERPIKE LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL KEY PERFORMANCE INDICATORS

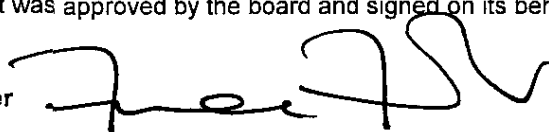
Given the straight forward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business as each year's results are different.

FUTURE DEVELOPMENTS

There are no significant future developments known of that would materially affect the future results and performance of the Group.

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

F C Fowler
Director

A handwritten signature in black ink, appearing to be 'F C Fowler', written over a horizontal line.

Date:

20.09.2017 .

STEERPIKE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation and minority interests, amounted to £1,122,840 (2015 - loss £863,282).

The consolidated Profit and Loss account for the year is set out on page 6.

DIRECTORS

The directors who served during the year were:

G M Sumner
T Styler Sumner
F C Fowler

MATTERS COVERED IN THE STRATEGIC REPORT

Under section 414C (11) of the Companies Act 2006, the information relating to future developments and risk management are included in the strategic report.

STEERPIKE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

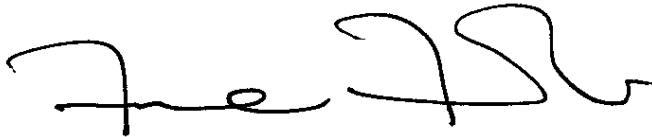
POST BALANCE SHEET EVENTS

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

AUDITORS

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



F C Fowler
Director

Date: 20.09.2017 .

STEERPIKE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STEERPIKE LIMITED

We have audited the financial statements of Steerpike Limited for the year ended 31 December 2016, set out on pages 7 to 40. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's loss 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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

STEERPIKE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STEERPIKE 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 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.



Richard Vass (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Dashwood House
69 Old Broad Street
London

EC2M 1QS

Date: *25th September 2017*

STEERPIKE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	14,052,539	10,294,868
Cost of sales		(7,612,736)	(5,235,242)
GROSS PROFIT		<u>6,439,803</u>	<u>5,059,626</u>
Administrative expenses		(7,950,519)	(6,286,708)
OPERATING LOSS	4	<u>(1,510,716)</u>	<u>(1,227,082)</u>
Investment income		247,979	80,262
Amounts written off investments		(425,937)	(54,313)
Interest receivable and similar income	9	543,104	403,923
Interest payable and similar charges	10	(35,853)	(25,763)
LOSS BEFORE TAX		<u>(1,181,423)</u>	<u>(822,973)</u>
Tax on loss on ordinary activities	11	-	(20,131)
LOSS FOR THE YEAR		<u>(1,181,423)</u>	<u>(843,104)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interests		(58,583)	20,178
Owners of the parent		<u>(1,122,840)</u>	<u>(863,282)</u>
		<u>(1,181,423)</u>	<u>(843,104)</u>

The notes on pages 18 to 40 form part of these financial statements.

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Profit/(loss) for the financial year		(1,181,423)	(843,104)
OTHER COMPREHENSIVE INCOME			
Currency translation differences		201,329	-
Unrealised surplus/deficit on revaluation of tangible fixed assets		-	(15,259)
Cash foreign exchange movements		-	(584,906)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		201,329	(600,165)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(980,094)	(1,443,269)
(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interest		(58,583)	20,178
Owners of the parent Company		(1,122,840)	(863,282)
		(1,181,423)	(843,104)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Non-controlling interest		(58,583)	20,178
Owners of the parent Company		(921,511)	(1,463,447)
		(980,094)	(1,443,269)

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

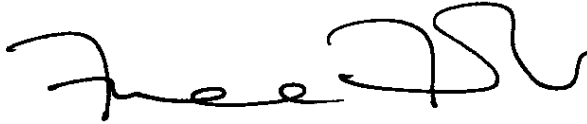
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
FIXED ASSETS			
Intangible assets	12	42,576	26,774
Tangible assets	13	1,524,817	1,248,154
Investments	14	1,521,877	1,898,364
		<u>3,089,270</u>	<u>3,173,292</u>
CURRENT ASSETS			
Stocks	15	977,796	1,083,509
Debtors: amounts falling due after more than one year	16	20,322,560	16,864,999
Debtors: amounts falling due within one year	16	4,769,005	4,452,233
Cash at bank and in hand	17	477,653	723,700
		<u>26,547,014</u>	<u>23,124,441</u>
Creditors: amounts falling due within one year	18	(6,651,817)	(6,662,356)
NET CURRENT ASSETS		<u>19,895,197</u>	<u>16,462,085</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,984,467</u>	<u>19,635,377</u>
Creditors: amounts falling due after more than one year	19	(62,624,994)	(58,293,162)
PROVISIONS FOR LIABILITIES			
Deferred taxation	22	(52,979)	(52,979)
		<u>(52,979)</u>	<u>(52,979)</u>
NET ASSETS EXCLUDING PENSION ASSET		<u>(39,693,506)</u>	<u>(38,710,764)</u>
NET LIABILITIES		<u>(39,693,506)</u>	<u>(38,710,764)</u>
CAPITAL AND RESERVES			
Called up share capital	23	100	100
Revaluation reserve	24	68,632	81,095
Foreign exchange reserve	24	4,551,060	4,349,731
Profit and loss account	24	(43,492,868)	(42,379,843)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>(38,873,076)</u>	<u>(37,948,917)</u>
Non-controlling interests		(820,430)	(761,847)
		<u>(39,693,506)</u>	<u>(38,710,764)</u>

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

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

A handwritten signature in black ink, appearing to read 'F C Fowler', written in a cursive style.

F C Fowler
Director

20.09.2017

Date:


The notes on pages 18 to 40 form part of these financial statements.

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
FIXED ASSETS			
Tangible assets	13	68,290	106,460
Investments	14	1,551,024	1,969,702
		<u>1,619,314</u>	<u>2,076,162</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	16	11,994,632	10,053,036
Cash at bank and in hand	17	50,239	119,247
		<u>12,044,871</u>	<u>10,172,283</u>
Creditors: amounts falling due within one year	18	(5,048,320)	(6,965,897)
NET CURRENT ASSETS		<u>6,996,551</u>	<u>3,206,386</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,615,865</u>	<u>5,282,548</u>
Creditors: amounts falling due after more than one year	19	(30,897,416)	(24,888,870)
NET ASSETS EXCLUDING PENSION ASSET		<u>(22,281,551)</u>	<u>(19,606,322)</u>
NET LIABILITIES		<u>(22,281,551)</u>	<u>(19,606,322)</u>
CAPITAL AND RESERVES			
Called up share capital	23	100	100
Profit and loss account	24	(22,281,651)	(19,606,422)
		<u>(22,281,551)</u>	<u>(19,606,322)</u>

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


F C Fowler
Director

Date: 20.09.2017 .

STEEPIKE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2016 (as previously stated)	100	81,095	6,348,535	(46,941,779)	(40,512,049)	(761,847)	(41,273,896)
Prior year adjustment	-	-	(1,998,804)	4,561,936	2,563,132	-	2,563,132
At 1 January 2016 (as restated)	100	81,095	4,349,731	(42,379,843)	(37,948,917)	(761,847)	(38,710,764)
COMPREHENSIVE INCOME FOR THE YEAR							
Loss for the year	-	-	-	(1,122,840)	(1,122,840)	(58,583)	(1,181,423)
Non-cash foreign exchange movements	-	-	201,329	-	201,329	-	201,329
OTHER COMPREHENSIVE INCOME FOR THE YEAR							
Transfer to/from profit and loss account	-	-	201,329	-	201,329	-	201,329
Transactions with owners	-	(12,463)	-	12,463	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Transfer to/from profit and loss account	-	(12,463)	201,329	(1,122,840)	(921,511)	(58,583)	(980,094)
Transactions with owners	-	-	-	(2,648)	(2,648)	-	(2,648)
TRANSFER TO/FROM PROFIT AND LOSS ACCOUNT							
AT 31 DECEMBER 2016	100	68,632	4,551,060	(43,492,868)	(38,873,076)	(820,430)	(39,693,506)

STEERPIKE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 January 2015	100	96,354	3,500,287	(41,531,820)	(37,935,079)	(782,025)	(38,717,104)
COMPREHENSIVE INCOME FOR THE YEAR							
Loss for the year	-	-	-	(863,282)	(863,282)	20,178	(843,104)
Cash foreign exchange movements	-	-	878,330	-	878,330	-	878,330
Non-cash foreign exchange movements	-	-	(28,886)	-	(28,886)	-	(28,886)
OTHER COMPREHENSIVE INCOME FOR THE YEAR							
	-	-	849,444	-	849,444	-	849,444
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Transfer to/from profit and loss account	-	(15,259)	849,444	(863,282)	(13,838)	20,178	6,340
	-	(15,259)	-	15,259	-	-	-
TOTAL TRANSACTIONS WITH OWNERS							
	-	(15,259)	-	15,259	-	-	-
AT 31 DECEMBER 2015							
	100	81,095	4,349,731	(42,379,843)	(37,948,917)	(761,847)	(38,710,764)

The notes on pages 18 to 40 form part of these financial statements.

STEERPIKE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	(19,606,422)	(19,606,322)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(2,675,229)	(2,675,229)
	<hr/>	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(2,675,229)	(2,675,229)
	<hr/>	<hr/>	<hr/>
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
	<hr/>	<hr/>	<hr/>
AT 31 DECEMBER 2016	100	(22,281,651)	(22,281,551)
	<hr/>	<hr/>	<hr/>

STEERPIKE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	100	-	(16,425,843)	(16,425,743)
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(3,180,579)	(3,180,579)
Foreign exchange movements	-	28,886	-	28,886
Other movement	-	(28,886)	-	(28,886)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(3,180,579)	(3,180,579)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-
AT 31 DECEMBER 2015	100	-	(19,606,422)	(19,606,322)

The notes on pages 18 to 40 form part of these financial statements.

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) for the year	(1,181,423)	(843,104)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	25,671	24,030
Impairment of intangible assets	13,724	-
Depreciation of tangible assets	581,249	415,009
Impairments of fixed asset investments	-	305,000
Loss on disposal of tangible assets	12,285	3,282
Profit on disposal of fixed asset investments	(6,278)	-
Interest paid	35,853	25,763
Interest received	(543,104)	(403,923)
Taxation charge	-	20,131
Decrease/(increase) in stocks	105,713	(72,090)
(Increase) in debtors	(3,773,627)	(2,266,950)
Increase in creditors	8,170,193	384,894
Net fair value losses recognised in P&L	432,216	54,310
Corporation tax received/(paid)	-	(50,551)
Dividends received	(247,979)	(80,264)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>3,624,493</u>	<u>(2,484,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(54,479)	(204,783)
Sale of intangible assets	-	4,000
Purchase of tangible fixed assets	(560,651)	-
Sale of listed investments	31,223	-
Purchase of unlisted and other investments	(66,806)	(112,353)
Interest received	543,104	403,923
HP interest paid	(2,925)	(2,506)
Dividends received	-	80,264
Dividends received	247,979	-
NET CASH FROM INVESTING ACTIVITIES	<u>137,445</u>	<u>168,545</u>

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other loans	(6,161,283)	-
New finance leases	(18,609)	(5,888)
Loans due from/(repaid to) directors	2,117,614	908,279
Interest paid	(32,928)	(23,257)
NET CASH USED IN FINANCING ACTIVITIES	<u>(4,095,206)</u>	<u>879,134</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(333,268)</u>	<u>(1,436,784)</u>
Cash and cash equivalents at beginning of year	723,700	1,282,154
Foreign exchange gains and losses	-	878,330
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>390,432</u>	<u>723,700</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	477,653	723,700
Bank overdrafts	(87,221)	-
	<u>390,432</u>	<u>723,700</u>

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Steerpike Limited (01444906) is a group incorporated in England and Wales. The registered office is Tower Bridge House, St Katherine's Way, London E1W 1DD.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

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

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

1.3 Going concern

The financial statements have been prepared on a going concern basis. This is considered appropriate as the ultimate controlling party continues to provide financial support to the company and has agreed to continue to do so for the foreseeable future, enabling the company to meet all its obligations as they fall due.

1.4 Revenue recognition

Revenue represents royalties and non returnable advances received and receivable in the period together with the invoiced value of sales of goods and services net of VAT and trade discounts.

Where revenue relates to royalty income this is recognised on an accruals basis. Royalties payable are then matched to royalties receivable. Accrued income received during the period between the year end and the completion of the financial statements is included on an actual basis.

Advances received and receivable are recognised as revenue in the period to which the royalty income relates. Therefore a provision is made for royalties payable on advances received only to the extent that the advances have been recouped.

Revenue for the sale of goods is recognised at the point of despatch to customers.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Intangible assets

Goodwill

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

Other intangible assets

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

The treatment of development costs is detailed in accounting policy 1.10.

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

1.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Land and buildings freehold	-	5% straight line
Long-term leasehold property	-	20% straight line
Short-term leasehold property	-	20% straight line
Fixtures, fittings & equipment	-	25% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss account.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the revaluation reserve, unless losses exceed the previously recognised gains, or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.8 Operating leases: the Group as lessee

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.10 Development costs

Development costs are stated at cost less a provision, if necessary, to reduce the carrying value to net realisable value.

1.11 Valuation of investments

Listed investments are measured at fair value using the quoted share price in an active market at the balance sheet date.

Unlisted investments are measured at the current market valuations provided by the investment fund managers at the balance sheet date.

1.12 Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Net realisable value is based on estimated selling price less the costs to sell.

Stocks relating to food manufacturing included all direct costs and an appropriate portion of fixed and variable overheads.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Cash and cash equivalents

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

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

1.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities including trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in listed shares and unlisted investment funds.

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

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

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

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

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.15 Foreign currency translation

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 pound.

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Profit and Loss Account within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.16 Finance costs

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

1.17 Pensions

The group operates a defined contribution pension scheme for some employees.

The contributions are recognised as an expense in the Profit and Loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

1.18 Interest income

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

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.19 Current and deferred taxation

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

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

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

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

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

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the company'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 revisions affects only that period.

The following critical accounting estimate and judgement was applied by the directors which has a significant impact on amounts disclosed in the financial statements:

Valuation of wine stock (Note 15)

The stock relating to wine (£545,986) held at the balance sheet date was valued using 80% of the market value. This provides some scope for material uncertainty where some products were not available for sale at the balance sheet date. The directors believe that the market value of unsold products should be based on similar products sold in previous years.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. TURNOVER

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

	2016 £	2015 £
Royalties and management of artist activities	8,733,537	5,985,976
Wine, food production and distribution	5,319,002	4,308,892
	<u>14,052,539</u>	<u>10,294,868</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	5,096,631	4,550,160
Rest of Europe	3,063,187	2,556,658
Rest of the World	5,892,721	3,188,050
	<u>14,052,539</u>	<u>10,294,868</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	81,798	59,617
Depreciation of tangible fixed assets	581,249	415,009
Amortisation of intangible assets, including goodwill	25,671	24,030
Impairment of investment	13,724	305,000
Exchange differences	3,199,037	1,508,749
Other operating lease rentals	56,526	149,586
Defined contribution pension cost	11,804	10,268

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	8,750	8,600
	<u>8,750</u>	<u>8,600</u>
FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
The auditing of accounts of associates of the Group pursuant to legislation	22,000	19,100
Other services relating to taxation	4,140	4,750
All other services	10,110	7,800
	<u><u>10,110</u></u>	<u><u>7,800</u></u>

6. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	1,812,674	1,902,806
Social security costs	147,447	170,703
Cost of defined contribution scheme	11,804	10,268
	<u>1,971,925</u>	<u>2,083,777</u>

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

	2016 No.	2015 No.
Artistic	2	2
Office and management	19	21
Agricultural and factory staff	56	47
	<u>77</u>	<u>70</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	442,237	654,071
	<u>442,237</u>	<u>654,071</u>

The highest paid director received remuneration of £168,000 (2015 - £199,680).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £NIL).

8. INCOME FROM INVESTMENTS

	2016 £	2015 £
Income from current asset investments	1,424	79,199
	<u>1,424</u>	<u>79,199</u>
Dividends received from unlisted investments	246,555	1,062
	<u>246,555</u>	<u>1,062</u>

9. INTEREST RECEIVABLE

	2016 £	2015 £
Other interest receivable	543,104	403,923
	<u>543,104</u>	<u>403,923</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	3	20
Other loan interest payable	32,925	23,237
Finance leases and hire purchase contracts	2,925	2,506
	<u>35,853</u>	<u>25,763</u>

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	-	20,131
TOTAL CURRENT TAX	-	20,131
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	-	20,131

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2016 £	2015 £
Profit on ordinary activities before tax	(1,181,423)	(822,973)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(236,285)	(164,595)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	59	84,489
Capital allowances for year in excess of depreciation	49,692	48,508
Utilisation of tax losses	(635,372)	(243,348)
Higher rate taxes on overseas earnings	-	20,131
Unrelieved tax losses carried forward	942,288	387,063
Other differences leading to an increase (decrease) in the tax charge	1,414	(31,742)
Group relief	(121,796)	(80,375)
TOTAL TAX CHARGE FOR THE YEAR	-	20,131

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has estimated losses of £13,068,586 (2015 - £11,016,137) available for carry forward against future trading profits.

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. INTANGIBLE ASSETS

Group and Company

	Development £	Trademarks £	Goodwill £	Total £
COST				
At 1 January 2016	4,891,009	-	114,919	5,005,928
Additions	-	40,755	13,724	54,479
Foreign exchange movement	234	132	-	366
At 31 December 2016	<u>4,891,243</u>	<u>40,887</u>	<u>128,643</u>	<u>5,060,773</u>
AMORTISATION				
At 1 January 2016	4,887,213	-	91,941	4,979,154
Charge for the year	-	2,693	22,978	25,671
Impairment charge	-	-	13,724	13,724
Foreign exchange movement	(352)	-	-	(352)
At 31 December 2016	<u>4,886,861</u>	<u>2,693</u>	<u>128,643</u>	<u>5,018,197</u>
NET BOOK VALUE				
At 31 December 2016	<u>4,382</u>	<u>38,194</u>	<u>-</u>	<u>42,576</u>
At 31 December 2015	<u>3,796</u>	<u>-</u>	<u>22,978</u>	<u>26,774</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Fixtures and fittings £	Leasehold improvement £	Total £
COST OR VALUATION					
At 1 January 2016	154,001	1,722,352	3,762,467	70,986	5,709,806
Additions	-	172,493	499,837	-	672,330
Disposals	-	-	(156,853)	-	(156,853)
Exchange adjustments	-	378,385	126,296	-	504,681
At 31 December 2016	154,001	2,273,230	4,231,747	70,986	6,729,964
DEPRECIATION					
At 1 January 2016	108,442	1,102,005	3,215,706	35,498	4,461,651
Charge for the year on owned assets	7,700	252,028	293,590	17,749	571,067
Charge for the year on financed assets	-	-	10,182	-	10,182
Disposals	-	-	(144,568)	-	(144,568)
Exchange adjustments	-	269,960	36,853	-	306,813
At 31 December 2016	116,142	1,623,993	3,411,763	53,247	5,205,145
NET BOOK VALUE					
At 31 December 2016	37,859	649,237	819,984	17,739	1,524,819
At 31 December 2015	45,559	620,347	546,760	35,488	1,248,154

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

	2016 £	2015 £
Plant and machinery	36,294	29,905
	<u>36,294</u>	<u>29,905</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Leasehold property £	Fixtures and fittings £	Leasehold improvement £	Total £
COST OR VALUATION					
At 1 January 2016	154,001	4,960	2,478,792	70,986	2,708,739
At 31 December 2016	154,001	4,960	2,478,792	70,986	2,708,739
DEPRECIATION					
At 1 January 2016	108,442	4,960	2,453,379	35,498	2,602,279
Charge for the year on owned assets	7,700	-	12,721	17,749	38,170
At 31 December 2016	116,142	4,960	2,466,100	53,247	2,640,449
NET BOOK VALUE					
At 31 December 2016	37,859	-	12,692	17,739	68,290
At 31 December 2015	45,559	-	25,413	35,488	106,460

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FIXED ASSET INVESTMENTS

Group

	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2016	24,944	3,340,175	3,365,119
Additions	-	66,806	66,806
Disposals	(24,944)	-	(24,944)
Foreign exchange movement	-	13,869	13,869
Revaluations	-	(432,216)	(432,216)
At 31 December 2016	-	2,988,634	2,988,634
IMPAIRMENT			
At 1 January 2016	-	1,466,757	1,466,757
At 31 December 2016	-	1,466,757	1,466,757
NET BOOK VALUE			
At 31 December 2016	-	1,521,877	1,521,877
At 31 December 2015	24,944	1,873,418	1,898,362

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION				
At 1 January 2016	226,227	24,944	3,193,463	3,444,634
Additions	20,000	-	22,109	42,109
Disposals	(3,628)	(24,944)	-	(28,572)
Revaluations	-	-	(432,216)	(432,216)
At 31 December 2016	242,599	-	2,783,356	3,025,955
IMPAIRMENT				
At 1 January 2016	8,174	-	1,466,757	1,474,931
At 31 December 2016	8,174	-	1,466,757	1,474,931
NET BOOK VALUE				
At 31 December 2016	234,425	-	1,316,599	1,551,024
At 31 December 2015	218,053	24,944	1,726,706	1,969,703

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

15. STOCKS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	304,468	149,273	-	-
Finished goods and goods for resale	673,328	934,236	-	-
	977,796	1,083,509	-	-

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

Stock recognised in cost of sales during the year as an expense was £2,158,489 (2015 - £2,151,058).

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. DEBTORS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
DUE AFTER MORE THAN ONE YEAR				
Other debtors	20,322,560	16,864,999	-	-
	<u>20,322,560</u>	<u>16,864,999</u>	<u>-</u>	<u>-</u>
	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
DUE WITHIN ONE YEAR				
Trade debtors	1,247,016	857,816	113,601	113,704
Amounts owed by group undertakings	-	-	11,201,196	8,726,244
Other debtors	1,696,020	1,149,455	34,664	199,712
Prepayments and accrued income	1,825,969	2,444,962	645,171	1,013,376
	<u>4,769,005</u>	<u>4,452,233</u>	<u>11,994,632</u>	<u>10,053,036</u>

Included within debtors due in after more than one year are interest bearing loan notes amounting to £20,322,560 (2015 - £16,864,999).

17. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	477,653	723,700	50,239	119,247
Less: bank overdrafts	(87,221)	-	-	-
	<u>390,432</u>	<u>723,700</u>	<u>50,239</u>	<u>119,247</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. CREDITORS: Amounts falling due within one year

	Group 2016 £	Group As restated 2015 £	Company 2016 £	Company As restated 2015 £
Bank overdrafts	87,221	-	-	-
Trade creditors	792,516	346,485	38,897	39,306
Amounts owed to group undertakings	-	-	4,786,668	6,892,084
Other taxation and social security	267,468	319,614	128,405	-
Obligations under finance lease and hire purchase contracts	24,889	13,275	-	-
Other creditors	5,118,117	4,813,728	56,250	1,717
Accruals and deferred income	361,606	1,169,253	38,100	32,791
	<u>6,651,817</u>	<u>6,662,355</u>	<u>5,048,320</u>	<u>6,965,898</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which the agreements relate.

The overdraft facility is secured by a debenture including a fixed and floating charge over all of the Company's assets.

19. CREDITORS: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Net obligations under finance leases and hire purchase contracts	86,331	4,875	-	-
Other creditors	62,538,663	58,288,288	30,897,416	24,888,867
	<u>62,624,994</u>	<u>58,293,163</u>	<u>30,897,416</u>	<u>24,888,867</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which the agreements relate.

The following balances are included within other creditors:

-Loans owed to directors of £21,390,106 (2015 - £19,272,490). The loan is secured by a floating charge over the assets of the group and by the future assignment of all its rights in all ongoing projects. During the period all interest was waived on this loan and the balance of the unsecured element of the amounts due to directors.

-A recoupable advance for the right to collect future royalties. In accordance with FRS102 £43,906,517 (2015 - £41,728,306) has been deferred and will be matched against royalties as they are earned.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

20. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	24,889	13,275
Between 1-2 years	22,939	3,900
Between 2-5 years	63,392	975
	<u>111,220</u>	<u>18,150</u>

21. FINANCIAL INSTRUMENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	1,999,530	2,622,062	1,366,838	2,088,950
Financial assets that are debt instruments measured at amortised cost	25,090,859	21,294,192	11,993,933	10,053,036
	<u>27,090,389</u>	<u>23,916,254</u>	<u>13,360,771</u>	<u>12,141,986</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(69,115,158)	(64,932,580)	(35,945,736)	(31,854,767)
	<u>(69,115,158)</u>	<u>(64,932,580)</u>	<u>(35,945,736)</u>	<u>(31,854,767)</u>

Financial assets measured at fair value through profit or loss comprise listed investments, unlisted investments and cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, accrued income and interest bearing loan notes.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, taxation and social security, HP assets and obligations, accruals, loans owed to directors and recoupable advances.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

22. DEFERRED TAXATION

Group

	2016 £	2015 £
At beginning of year	(52,979)	(52,979)
AT END OF YEAR	(52,979)	(52,979)

The provision for deferred taxation is made up as follows:

	Group 2016 £	Group 2015 £
Accelerated capital allowances	(52,979)	(52,979)
	(52,979)	(52,979)

23. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

24. RESERVES

Revaluation reserve

The revaluation reserve represents gains and losses arising from the revaluation of a short-term leasehold property.

Foreign exchange reserve

The foreign exchange reserve represents translation differences arising from the translation of financial statements of the group's foreign entities into sterling (£).

Profit and loss account

The Profit and Loss account represents cumulative profits and losses net of dividends and other adjustments.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

25. PRIOR YEAR ADJUSTMENT

The prior year adjustment was to correct historic eliminations of intercompany balances that had been overstated previously and to correct the split of reserves brought forward. This has the impact of reducing creditors by £2,563,132, reducing foreign exchange reserves by £1,998,904 and increasing profit and loss reserves by £4,561,936 on consolidation.

26. PENSION COMMITMENTS

The group operated one defined contribution pension scheme during the period for one of its former directors. The assets of the plan are held separately from the group in independently administered funds.

The pension cost charge represents contributions payable by the group to the fund and amounted to £11,804 (2015 - £10,268). Contributions totalling £NIL (2015 - £1,717) were payable to the fund at the balance sheet date.

27. COMMITMENTS UNDER OPERATING LEASES

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Not later than 1 year	83,000	100,667	83,000	83,000
Later than 1 year and not later than 5 years	332,000	332,000	332,000	332,000
Later than 5 years	156,682	239,682	156,682	239,682
	<u>571,682</u>	<u>672,349</u>	<u>571,682</u>	<u>654,682</u>
			Group 2016 £	Group 2015 £
Other				
Not later than 1 year			33,108	9,399
Between 2 and 5 years			132,431	28,197
Later than 5 years			-	-
			<u>165,539</u>	<u>37,596</u>

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

28. COMMITMENTS UNDER OPERATING LEASES - LESSOR

At 31 December 2016 the Group and the Company had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2016 £	Company 2016 £
Land and Buildings		
Not later than 1 year	36,000	36,000
Between 2 and 5 years	30,000	30,000
Later than 5 years	-	-
	<u>66,000</u>	<u>66,000</u>

29. CONTROLLING PARTY

The company's ultimate controlling party through the current and previous year is considered to be G M Sumner, a director and the majority shareholder of Steerpike Limited.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

30. RELATED PARTY TRANSACTIONS

Group

The group has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking or of intra-group transactions and balances which have been eliminated on consolidation.

As at 31 December 2016 the group owed £433,040 (2015 - £433,040) to Mobius International Inc. Mobius International Inc. is a fellow shareholder of Alpha Male Films Limited, a subsidiary of Xingu Films Limited.

Company

The company is the ultimate parent undertaking of Red House Foods Limited. As at 31 December 2016 the company was owed £941,542 (2015 - £967,919) by Red House Foods Limited. This decrease of the loan balance in the year consists of a repayment of interest on the loan.

Roxanne Music Limited is related through common directorship and ownership of G M Sumner, the ultimate controlling party. As at 31 December 2016 the company was owed £24,575 (2015 - £19,397) by Roxanne Music Limited.

The company is a 99% equity owner of Steerpike (Overseas) Limited. As at 31 December 2016, the company owed £4,674,647 (2015 - £6,787,554) to Steerpike (Overseas) Limited. The decrease of the loan balance in the year consists of recording royalties due to the company.

The company has a controlling interest in Alpha Male Films Limited. As at 31 December 2016, the company owed £8,031 (2015 - £NIL) to Alpha Male Films Limited. The increase of the loan balance relates to expenses incurred by the company and to cash balances transferred to the company upon closure of a bank account. During the year the company wrote off loans to Alpha Male Films Limited that were considered irrecoverable totalling £NIL (2015 - £28,273).

Lake House Organics Limited is related through common directorship of T Styler Sumner, a director of the company. During the year the company wrote off loans to Lake House Organics Limited that were considered irrecoverable totalling £NIL (2015 - £113,943).

Director loans

As at 31 December 2016, G M Sumner was owed £5,300,452 (2015 - £3,403,318) from Steerpike Limited.

The only Key Management Personnel are deemed to be the directors and details of these emoluments can be found in Note 7.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

31. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Steerpike (Overseas) Limited	Ordinary	99 %	Management of artists' services
Magnetic Publishing Limited	Ordinary	100 %	Collection and distribution of royalties
Xingu Films Limited*	Ordinary	100 %	Film production
Alpha Male Films Limited	Ordinary	50 %	Film production
Cheeky Films Limited*	Ordinary	100 %	Film production
Il Palagio Limited*	Ordinary	100 %	Purchase and sale of wine
Red House Foods Limited	Ordinary Redeemable preference	62 %	Food production
Tenuta Il Palagio SRL	Ordinary	100 %	Agricultural production
Semplice Toscana SRL	Ordinary	100 %	Provision of property related services
Steerpike Inc	Ordinary	100 %	Management of artists' services
Yoga Play Limited*	Ordinary	100 %	Yoga services

The companies above marked with an asterisk (*) have taken advantage of the exemption from audit under the provisions of section 479A of the Companies Act 2006 ("the Act"), and the members of those companies have not required the company to obtain an audit for the years in question in accordance with section 476 of the Act.