

Registered number: 01444906

STEERPIKE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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STEERPIKE LIMITED

COMPANY INFORMATION

DIRECTORS	G M Sumner T Styler Sumner F C Fowler (resigned 31 July 2019) V Pradines (appointed 5 March 2019)
COMPANY SECRETARY	T S Sumner and A M Sumner
REGISTERED NUMBER	01444906
REGISTERED OFFICE	Tower Bridge House St Katharine's Way London E1W 1DD
TRADING ADDRESS	35 Endell Street London WC2H 9BA
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 2018

INTRODUCTION

The Directors present the strategic report and financial statements for the year ended 31 December 2018.

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 2018**

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.



V Pradines
Director

Date: 19/9/2019

STEERPIKE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

DIRECTORS

The directors who served during the year were:

G M Sumner
T Styler Sumner
F C Fowler (resigned 31 July 2019)

Following the year end, V Pradines was appointed as a director on 5 March 2019.

PRINCIPAL ACTIVITY

The principal activities of the group are split into two distinct areas as follows:

- a) The collection of royalties and management of activities of artists in the entertainment and film production industry.
- b) Wine and food production and distribution.

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in the Directors' Report may differ from legislation in other jurisdictions.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £6,140,432 (2017 - £9,796,453).

The consolidated Profit and Loss account for the year is set out on page 9.

STEERPIKE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

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.



V Pradines
Director

Date: 19/19/2019

STEERPIKE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STEERPIKE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Steerpike Limited (the 'Company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2018 and of its profit for the year then ended;
- the Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- *the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.*

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires us to report to you where:

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

STEERPIKE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STEERPIKE LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON THE OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the Company Balance Sheet are in agreement with the accounting records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Group's and the parent Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

STEERPIKE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STEERPIKE LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' Report.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Section 391 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.



Richard Vass

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Dashwood House
69 Old Broad Street
London
EC2M 1QS

Date: *24th September 2019*

STEERPIKE LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	As restated 2017 £
Turnover		20,875,872	19,095,880
Cost of sales		(8,128,091)	(7,798,015)
GROSS PROFIT		12,747,781	11,297,865
Administrative expenses		(5,675,527)	(3,549,740)
Exceptional item	5	-	914,266
OPERATING PROFIT	6	7,072,254	8,662,391
Investment Income	10	492	43,858
Movement in value of investments		14,033	(409,954)
Interest receivable and similar income	11	808,220	755,346
Interest payable and similar expenses	12	(204,468)	(40,822)
PROFIT BEFORE TAX		7,690,531	9,010,819
Tax on profit	13	(1,584,772)	932,556
PROFIT FOR THE FINANCIAL YEAR		6,105,759	9,943,375
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interests		(34,673)	146,922
Owners of the parent		6,140,432	9,796,453
		6,105,759	9,943,375

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	As restated 2017 £
Profit/(loss) for the financial year	6,105,759	9,943,375
OTHER COMPREHENSIVE INCOME		
Currency translation differences	(141,889)	278,904
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(141,889)	278,904
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,963,870	10,222,279
PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
Non-controlling interest	(34,673)	146,922
Owners of the parent Company	6,140,432	9,796,453
	6,105,759	9,943,375
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Non-controlling interest	(34,673)	146,922
Owners of the parent Company	5,998,543	10,075,357
	5,963,870	10,222,279

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018


	Note	2018 £	As restated 2017 £
FIXED ASSETS			
Intangible assets	14	67,163	60,981
Tangible assets	15	975,838	1,228,191
Investments	16	1,050,429	1,129,943
		<u>2,093,430</u>	<u>2,419,115</u>
CURRENT ASSETS			
Stocks	17	1,339,447	1,110,394
Debtors: amounts falling due after more than one year	18	19,700,241	18,530,598
Debtors: amounts falling due within one year	18	4,981,438	4,788,613
Cash at bank and in hand	19	1,260,764	984,977
		<u>27,281,890</u>	<u>25,414,582</u>
Creditors: amounts falling due within one year	20	(10,215,652)	(3,671,101)
NET CURRENT ASSETS		<u>17,066,238</u>	<u>21,743,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,159,668</u>	<u>24,162,596</u>
Creditors: amounts falling due after more than one year	21	(43,227,980)	(54,182,721)
PROVISIONS FOR LIABILITIES			
NET LIABILITIES		<u>(24,068,312)</u>	<u>(30,020,125)</u>

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

	Note	2018 £	As restated 2017 £
CAPITAL AND RESERVES			
Called up share capital	25	100	100
Revaluation reserve	26	49,412	56,072
Other reserves	26	179,850	191,907
Profit and loss account	26	(23,589,493)	(29,594,696)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>(23,360,131)</u>	<u>(29,346,617)</u>
Non-controlling interests		(708,181)	(673,508)
		<u>(24,068,312)</u>	<u>(30,020,125)</u>

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


.....
V Pradines
Director

Date: 19/1/2019


The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED
REGISTERED NUMBER: 01444906

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	15	28,172	37,487
Investments	16	8,997,306	9,151,504
		<u>9,025,478</u>	<u>9,188,991</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	18	500,000	898,000
Debtors: amounts falling due within one year	18	5,733,642	6,570,360
Cash at bank and in hand	19	437,292	139,642
		<u>6,670,934</u>	<u>7,608,002</u>
Creditors: amounts falling due within one year	20	(15,781,468)	(16,456,244)
NET CURRENT LIABILITIES		<u>(9,110,534)</u>	<u>(8,848,242)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(85,056)</u>	<u>340,749</u>
Creditors: amounts falling due after more than one year	21	(16,678,232)	(16,650,016)
NET LIABILITIES		<u><u>(16,763,288)</u></u>	<u><u>(16,309,267)</u></u>
CAPITAL AND RESERVES			
Called up share capital	25	100	100
Profit and loss account	26	(16,763,388)	(16,309,367)
		<u>(16,763,288)</u>	<u>(16,309,267)</u>

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



 V Pradines
 Director

Date: 19/12/2019

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2018	100	56,072	191,907	(29,594,696)	(29,346,617)	(673,508)	(30,020,125)
COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	6,140,432	6,140,432	(34,673)	6,105,759
Currency translation differences	-	-	-	(141,889)	(141,889)	-	(141,889)
OTHER COMPREHENSIVE INCOME FOR THE YEAR							
	-	-	-	(141,889)	(141,889)	-	(141,889)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
	-	-	-	5,998,543	5,998,543	(34,673)	5,963,870
Shares cancelled during the year	-	-	-	-	-	-	-
Transfer to/from profit and loss account	-	(6,660)	-	6,660	-	-	-
Transactions with owners	-	-	(12,057)	-	(12,057)	-	(12,057)
TOTAL TRANSACTIONS WITH OWNERS							
	-	(6,660)	(12,057)	6,660	(12,057)	-	(12,057)
AT 31 DECEMBER 2018	100	49,412	179,850	(23,589,493)	(23,360,131)	(708,181)	(24,068,312)

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2017 (as previously stated)	100	68,632	-	(38,941,808)	(38,873,076)	(820,430)	(39,693,506)
Prior year adjustment	-	-	-	(740,805)	(740,805)	-	(740,805)
At 1 January 2017 (as restated)	100	68,632	-	(39,682,613)	(39,613,881)	(820,430)	(40,434,311)
COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	9,796,453	9,796,453	146,922	9,943,375
Currency translation differences	-	-	-	278,904	278,904	-	278,904
OTHER COMPREHENSIVE INCOME FOR THE YEAR							
	-	-	-	278,904	278,904	-	278,904
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Shares cancelled during the year	-	-	-	-	-	-	-
Transfer to/from profit and loss account	-	(12,560)	-	12,560	-	-	-
Transactions with owners	-	-	191,907	-	191,907	-	191,907
TOTAL TRANSACTIONS WITH OWNERS							
	-	(12,560)	191,907	12,560	191,907	-	191,907
AT 31 DECEMBER 2017	100	56,072	191,907	(29,594,696)	(29,346,617)	(673,508)	(30,020,125)

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	100	(16,309,367)	(16,309,267)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(454,021)	(454,021)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(454,021)	(454,021)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
AT 31 DECEMBER 2018	100	(16,763,388)	(16,763,288)

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017 (as previously stated)	100	(22,281,651)	(22,281,551)
Prior year adjustment	-	6,357,126	6,357,126
At 1 January 2017 (as restated)	<u>100</u>	<u>(15,924,525)</u>	<u>(15,924,425)</u>
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(384,842)	(384,842)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>(384,842)</u>	<u>(384,842)</u>
TOTAL TRANSACTIONS WITH OWNERS	<u>-</u>	<u>-</u>	<u>-</u>
AT 31 DECEMBER 2017	<u><u>100</u></u>	<u><u>(16,309,367)</u></u>	<u><u>(16,309,267)</u></u>

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	As restated 2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	6,100,772	9,943,375
ADJUSTMENTS FOR:		
Amortisation of intangible assets	4,262	3,740
Depreciation of tangible assets	572,318	593,529
(Profit)/Loss on disposal of tangible assets	(1,000)	9,716
Interest paid	204,468	40,822
Interest received	(808,220)	(416,959)
Taxation charge	1,584,772	(932,556)
(Increase) in stocks	(229,053)	(132,598)
(Increase)/decrease in debtors	(1,362,468)	225,456
Increase/(decrease) in creditors	262,870	(2,660,708)
(Profit)/loss on disposal of fixed asset investments	108,339	10,000
Corporation tax (paid)	(438,458)	(462)
Dividends received	(492)	(43,858)
Net fair value losses recognised in P&L	21,432	324,453
Discounting long term loans	(43,378)	(338,387)
Foreign exchange revaluations	(58,662)	(1,469,491)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>5,917,502</u>	<u>5,156,072</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(327,440)	(267,257)
Sale of tangible fixed assets	14,500	-
Purchase of unlisted and other investments	(12,846)	(10,434)
Purchase of intangible fixed assets	(9,251)	(20,164)
Interest received	808,220	416,959
HP interest paid	-	(2,763)
Dividends received	492	43,858
NET CASH FROM INVESTING ACTIVITIES	<u>473,675</u>	<u>160,199</u>
CASH FLOWS FROM FINANCING ACTIVITIES		

STEERPIKE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Repayment of loans	(2,925,665)	(8,675,993)
Repayment of/new finance leases	(45,774)	(25,988)
Loans due from/(repaid to) directors	(2,939,491)	4,018,314
Interest paid	(204,468)	(38,059)
NET CASH USED IN FINANCING ACTIVITIES	(6,115,398)	(4,721,726)
INCREASE IN CASH AND CASH EQUIVALENTS	275,779	594,545
Cash and cash equivalents at beginning of year	984,977	390,432
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,260,756	984,977
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,260,764	984,977
Bank overdrafts	(8)	-
	1,260,756	984,977

The notes on pages 19 to 42 form part of these financial statements.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Steerpike Limited (01444906) (the 'Company') is a private company limited by shares incorporated in England and Wales. The registered office is Tower Bridge House, St Katherines Way, London E1W 1DD.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

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

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

2.3 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.

2.4 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 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 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 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 of losses.

The treatment of development costs is detailed in accounting policy 2.10.

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.

Amortisation is provided as follows:

Trademarks - 18 years straight line
Software - 2 years straight line

2.6 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:

- Freehold property	-	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 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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.

2.8 OPERATING LEASES: THE GROUP AS LESSEE

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

2.9 OPERATING LEASES: THE GROUP AS LESSOR

Rentals income from operating leases is credited to the Consolidated Profit and Loss Account on a straight line basis over the term of the relevant lease.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.10 DEVELOPMENT COSTS

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

2.11 VALUATION OF INVESTMENTS

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

2.12 STOCKS

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 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.13 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.

2.14 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.15 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, rounded to the nearest pound.

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 except when deferred in other comprehensive income as qualifying cash flow hedges.

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.

2.16 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.

2.17 LEASED ASSETS: THE GROUP AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.18 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.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.19 INTEREST INCOME

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

2.20 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.

2.21 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. 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 17)

The stock relating to wine (£944,261) 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.

4. TURNOVER

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

	2018 £	As restated 2017 £
Royalties and management of artist activities	14,725,564	12,658,767
Wine, food production and distribution	6,150,308	6,437,113
	<u>20,875,872</u>	<u>19,095,880</u>

Analysis of turnover by country of destination:

	2018 £	As restated 2017 £
United Kingdom	6,254,575	6,875,996
Rest of Europe	5,361,409	4,902,855
Rest of the World	9,259,888	7,317,029
	<u>20,875,872</u>	<u>19,095,880</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. EXCEPTIONAL ITEM

	2018 £	2017 £
Exceptional item - loans written off on liquidation	-	914,266

6. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Research & development charged as an expense	6,123	14,671
Exchange differences	426,244	(1,761,492)
Other operating lease rentals	56,459	56,700
Depreciation	572,318	593,529
Amortisation	4,262	20,164

7. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	9,320	9,050
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	24,600	22,780
Other services relating to taxation	3,600	4,285
All other services	17,942	6,760

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. EMPLOYEES

Staff costs, including directors' remuneration were as follows:

	2018 £	2017 £
Wages and salaries	3,754,056	3,610,679
Social security costs	220,060	247,725
Cost of defined contribution scheme	30,991	17,459
	<u>4,005,107</u>	<u>3,875,863</u>

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cost of defined contribution scheme	<u>8,609</u>	<u>13,912</u>	<u>-</u>	<u>-</u>
	<u>8,609</u>	<u>13,912</u>	<u>-</u>	<u>-</u>

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

	2018 No.	2017 No.
Artistic	4	4
Office and management	27	28
Agricultural and factory staff	65	66
	<u>96</u>	<u>98</u>

9. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	<u>478,781</u>	<u>484,193</u>

The highest paid director received remuneration of £168,000 (2017 - £168,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017 - £NIL).

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. INCOME FROM INVESTMENTS

	2018 £	2017 £
Dividends received from unlisted investments	<u>492</u>	<u>43,858</u>

11. INTEREST RECEIVABLE

	2018 £	2017 £
Other interest receivable	<u>808,220</u>	<u>755,346</u>

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Other loan interest payable	201,143	38,059
Finance leases and hire purchase contracts	<u>3,325</u>	<u>2,763</u>
	<u>204,468</u>	<u>40,822</u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. TAXATION

	2018 £	2017 £
CORPORATION TAX		
Current tax on profits for the year	1,253,070	106,756
Adjustments in respect of previous periods	31,420	-
	<u>1,284,490</u>	<u>106,756</u>
FOREIGN TAX		
Foreign tax on income for the year	(151)	(462)
	<u>(151)</u>	<u>(462)</u>
TOTAL CURRENT TAX	<u>1,284,339</u>	<u>106,294</u>
DEFERRED TAX		
Origination and reversal of timing differences	300,433	(1,038,850)
TOTAL DEFERRED TAX	<u>300,433</u>	<u>(1,038,850)</u>
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>1,584,772</u>	<u>(932,556)</u>

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	As restated 2017 £
Profit on ordinary activities before tax	7,690,531	9,010,819
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	1,461,201	1,734,583
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	34,405	76,972
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	257,181	679,213
Capital allowances for year in excess of depreciation	1,719	17,243
Utilisation of tax losses	(386,763)	(1,898,510)
Higher rate taxes on overseas earnings	(151)	(462)
Non-taxable income	(40,201)	(342,501)
Unrelieved tax losses carried forward	(42,396)	(17,771)
Other differences leading to an increase (decrease) in the tax charge	(656)	132
Deferred tax	300,433	(1,038,850)
Effect of prior period non-taxable adjustment	-	(142,605)
TOTAL TAX CHARGE FOR THE YEAR	1,584,772	(932,556)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has estimated losses of £3,886,403 (2017 - £3,942,867) available for carry forward against future trading profits.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. INTANGIBLE ASSETS

Group

	Development £	Trademarks £	Computer software £	Goodwill £	Total £
COST					
At 1 January 2018	1,573	64,551	2,808	128,643	197,575
Additions	-	9,251	-	-	9,251
Disposals	(1,573)	-	-	-	(1,573)
Foreign exchange movement	-	1,150	43	-	1,193
At 31 December 2018	-	74,952	2,851	128,643	206,446
AMORTISATION					
At 1 January 2018	1,573	6,378	-	128,643	136,594
Charge for the year	-	4,262	-	-	4,262
On disposals	(1,573)	-	-	-	(1,573)
At 31 December 2018	-	10,640	-	128,643	139,283
NET BOOK VALUE					
At 31 December 2018	-	64,312	2,851	-	67,163
At 31 December 2017	-	58,173	2,808	-	60,981

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Fixtures and fittings £	Leasehold improvement £	Total £
COST OR VALUATION					
At 1 January 2018	154,001	2,436,794	4,421,476	70,986	7,083,257
Additions	-	37,943	289,497	-	327,440
Disposals	-	-	(46,705)	-	(46,705)
Exchange adjustments	-	35,966	(695)	-	35,271
At 31 December 2018	154,001	2,510,703	4,663,573	70,986	7,399,263
DEPRECIATION					
At 1 January 2018	123,842	1,949,225	3,716,000	65,999	5,855,066
Charge for the year on owned assets	7,700	272,468	289,845	2,305	572,318
Disposals	-	-	(33,205)	-	(33,205)
Exchange adjustments	-	33,480	(4,234)	-	29,246
At 31 December 2018	131,542	2,255,173	3,968,406	68,304	6,423,425
NET BOOK VALUE					
At 31 December 2018	22,459	255,530	695,167	2,682	975,838
At 31 December 2017	30,159	487,569	705,476	4,987	1,228,191

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

	2018 £	2017 £
Plant and machinery	145,449	151,185

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Leasehold property £	Fixtures and fittings £	Leasehold improvement £	Total £
COST OR VALUATION					
At 1 January 2018	154,001	4,960	2,486,047	70,986	2,715,994
Additions	-	-	2,173	-	2,173
At 31 December 2018	154,001	4,960	2,488,220	70,986	2,718,167
DEPRECIATION					
At 1 January 2018	123,842	4,960	2,483,706	65,999	2,678,507
Charge for the year on owned assets	7,700	-	1,483	2,305	11,488
At 31 December 2018	131,542	4,960	2,485,189	68,304	2,689,995
NET BOOK VALUE					
At 31 December 2018	22,459	-	3,031	2,682	28,172
At 31 December 2017	30,159	-	2,341	4,987	37,487

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 January 2018	2,596,700
Additions	12,846
Disposals	(108,339)
Foreign exchange movement	51,444
At 31 December 2018	<u>2,552,651</u>
IMPAIRMENT	
At 1 January 2018	1,466,757
Charge for the period	35,465
At 31 December 2018	<u>1,502,222</u>
NET BOOK VALUE	
At 31 December 2018	<u><u>1,050,429</u></u>
At 31 December 2017	<u><u>1,129,943</u></u>

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2018	8,242,500	2,383,937	10,626,437
Additions	-	12,846	12,846
Foreign exchange movement	-	49,498	49,498
At 31 December 2018	<u>8,242,500</u>	<u>2,446,281</u>	<u>10,688,781</u>
IMPAIRMENT			
At 1 January 2018	8,176	1,466,757	1,474,933
Charge for the period	181,077	35,465	216,542
At 31 December 2018	<u>189,253</u>	<u>1,502,222</u>	<u>1,691,475</u>
NET BOOK VALUE			
At 31 December 2018	<u>8,053,247</u>	<u>944,059</u>	<u>8,997,306</u>
At 31 December 2017	<u>8,234,324</u>	<u>917,180</u>	<u>9,151,504</u>

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.

17. STOCKS

	Group 2018 £	Group 2017 £
Raw materials and consumables	299,507	246,401
Finished goods and goods for resale	1,039,940	863,993
	<u>1,339,447</u>	<u>1,110,394</u>

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

Stock recognised in cost of sales during the year as an expense was £2,828,430 (2017 - £2,679,431).

STEERPIKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. DEBTORS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	500,000	898,000
Other debtors	19,700,241	18,530,598	-	-
	<u>19,700,241</u>	<u>18,530,598</u>	<u>500,000</u>	<u>898,000</u>
	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
DUE WITHIN ONE YEAR				
Trade debtors	1,260,270	840,400	104,543	101,082
Amounts owed by group undertakings	-	-	4,512,957	4,375,092
Other debtors	1,725,492	1,574,435	10,464	50,535
Prepayments and accrued income	1,310,238	1,387,907	367,261	1,294,506
Deferred taxation	685,438	985,871	738,417	749,145
	<u>4,981,438</u>	<u>4,788,613</u>	<u>5,733,642</u>	<u>6,570,360</u>

Included within debtors due in after more than one year are interest bearing loan notes amounting to £19,700,241 (2017 - £18,530,598).

19. CASH AND CASH EQUIVALENTS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,260,764	984,977	437,292	139,642
Less: bank overdrafts	(8)	-	-	-
	<u>1,260,756</u>	<u>984,977</u>	<u>437,292</u>	<u>139,642</u>

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. CREDITORS: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	8	-	-	-
Bank loans	5,122,063	-	-	-
Trade creditors	517,188	793,847	53,618	49,486
Amounts owed to group undertakings	-	-	15,511,067	16,263,111
Corporation tax	1,253,070	106,756	19	-
Other taxation and social security	933,690	676,108	50,338	49,456
Obligations under finance lease and hire purchase contracts	36,321	23,025	-	-
Other creditors	1,951,811	1,800,126	107,189	52,056
Accruals and deferred income	401,501	271,239	59,237	42,135
	<u>10,215,652</u>	<u>3,671,101</u>	<u>15,781,468</u>	<u>16,456,244</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 assets of a group company.

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	94,685	62,207	-	-
Other creditors	<u>43,133,295</u>	<u>54,120,514</u>	<u>16,678,232</u>	<u>16,650,016</u>
	<u>43,227,980</u>	<u>54,182,721</u>	<u>16,678,232</u>	<u>16,650,016</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 £18,992,845 (2017 - £21,932,336). 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 £23,694,003 (2017 - £31,762,991) 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 2018**

22. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	36,321	23,025
Between 1-5 years	94,369	21,075
Over 5 years	-	41,132
	<u>130,690</u>	<u>85,232</u>

23. FINANCIAL INSTRUMENTS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	2,311,193	2,114,920	1,381,351	1,056,822
Financial assets that are debt instruments measured at amortised cost	<u>22,648,261</u>	<u>21,004,113</u>	<u>5,463,555</u>	<u>6,678,564</u>
	<u>24,959,454</u>	<u>23,119,033</u>	<u>6,844,906</u>	<u>7,735,386</u>

FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost	<u>(51,110,752)</u>	<u>(56,965,186)</u>	<u>(32,398,670)</u>	<u>(34,502,444)</u>
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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, HP obligations, accruals, bank loans, loans owed to directors and recoupable advances.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

24. DEFERRED TAXATION

Group

	2018 £	2017 £
At beginning of year	985,871	(52,979)
Charged to profit or loss	(300,433)	1,038,850
AT END OF YEAR	685,438	985,871

The deferred tax asset is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(52,980)	(52,979)	-	-
Tax losses carried forward	738,418	1,038,850	738,417	749,145
	685,438	985,871	738,417	749,145

25. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1.00 each	100	100

26. RESERVES

Revaluation reserve

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

Other reserves

Other reserves comprises capital contributions made to the group.

Profit and loss account

The Profit and Loss account represents cumulative profits and losses net of dividends, foreign exchange movements and other adjustments.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the fund and amounted to £11,759 (2017 - £13,912). Contributions totalling £NIL (2017 - £NIL) were payable to the fund at the balance sheet date.

28. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Land and Buildings				
Not later than 1 year	91,467	83,000	91,467	83,000
Later than 1 year and not later than 5 years	354,433	332,000	354,433	332,000
Later than 5 years	-	73,682	-	73,682
	<u>445,900</u>	<u>488,682</u>	<u>445,900</u>	<u>488,682</u>
			Group 2018 £	Group 2017 £
Other				
Not later than 1 year			9,399	9,399
Between 2 and 5 years			-	9,399
Later than 5 years			-	-
			<u>-</u>	<u>-</u>

29. COMMITMENTS UNDER OPERATING LEASES - LESSOR

At 31 December 2018 the Group and the Company had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Land and Buildings				
Not later than 1 year	38,300	30,000	38,300	30,000
Between 2 and 5 years	148,413	-	148,413	-
Later than 5 years	-	-	-	-
	<u>186,713</u>	<u>30,000</u>	<u>186,713</u>	<u>30,000</u>

30. 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 2018**

31. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS102 section 33.1A for non-disclosure of transactions with wholly owned group companies.

As at 31 December 2018 the company was owed £898,001 (2017 - £934,893) by one of its non-wholly owned subsidiaries. This decrease of the loan balance in the year consists of a repayment of interest on the loan.

As at 31 December 2018 the company was owed £Nil (2017 - £45,264) in respect of recording royalties by a company under common directorship and ownership of the group ultimate controlling party.

As at 31 December 2018, the company owed £15,511,067 (2017 - £16,263,111) to its non-wholly owned subsidiaries. The overall decrease of the loan balance in the year consists of loan repayments less recording royalties due to the company.

As at 31 December 2018, the company was owed £849,199 (2017 - £815,619) by one of its non-wholly owned subsidiaries.

During the year a group company received income totalling £57,493 (2017 - £315,733) and incurred associated expenditure totalling £47,704 (2017 - £289,359) from a related party in respect of an event held on the premises of the company. No amounts were outstanding at the year end.

Director loans

As at 31 December 2018 a director was owed £18,992,845 (2017 - £21,932,336) from group companies. No interest is being charged on the balances.

The only Key Management Personnel are deemed to be the directors and details of these emoluments can be found in Note 9.

STEERPIKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

32. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Steerpike (Overseas) Limited	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Management of artists' services	Ordinary	99%
Magnetic Publishing Limited	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Collection and distribution of royalties	Ordinary	100%
Xingu Films Limited*	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Film production	Ordinary	100%
Alpha Male Films Limited	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Film production	Ordinary	50%
Il Palagio Limited*	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Purchase and sale of wine	Ordinary	100%
Red House Foods Limited	Tower Bridge House, St Katharine's Way, London, E1W 1DD	Food production	Ordinary Redeemable preference	62%
Tenuta Il Palagio SRL	Francesco Corteccia, 28/1 - 50127 - Firenze	Agricultural production	Ordinary	100%
Semplice Toscana SRL	Francesco Corteccia, 28/1 - 50127 - Firenze	Provision of property related services	Ordinary	100%
Steerpike Inc	c/o RZO, 250 West 57th Street, New York, New York 10107, USA	Management of artists' services	Ordinary	100%

All subsidiaries listed above have been included in the consolidation.

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.

33. PRIOR YEAR ADJUSTMENT

The prior year accounts for Steerpike Inc. were amended to reflect the fact that the company's total staff expenses were recharged to a connected US entity. The amount of recharge for the prior year was £740,805.