

Annual report

for the year ended 31 March 2017

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Directors and advisers

Directors	<p>*Richard Bennison <i>FCA Chairman</i></p> <p>Reg Harvey</p> <p>Caroline Madelin <i>ACMA Finance</i></p> <p><small>*Non-executive</small></p>
Secretary	Caroline Madelin <i>ACMA</i>
Consultant	Robin Clark <i>OBE FCA Hon FRCSLT</i>
Registered Office	<p>20 York Street London W1U 6PU Telephone: 020 7486 0100 Fax: 020 7224 0384 Email: mail@taylorclark.co.uk</p>
Auditor	KPMG LLP
Registered number	00340727
Date of Incorporation	27 May 1938

Strategic report

The directors present their Strategic report for the year ended 31 March 2017.

Group activities

The activities of the Group comprise investment in financial markets and property.

Strategy

The strategy of the Company remains consistent; investing to deliver long-term capital growth and paying regular dividends to shareholders.

As an investment company for family shareholders the Company is able to take a medium to long term view of investments. The Board aims to participate in the gains resulting from rising markets balanced by a defensive element to the portfolio that should provide some protection if markets fall. This approach should result in long-term returns outperforming the market as a whole.

Group results

The year ended 31 March 2017 was dominated by exceptional gains in the financial markets in spite of huge political turmoil in the UK, Europe and the US.

The Group net asset value increased by 8.9% from £170.3m at 31 March 2016 to £185.5m at 31 March 2017. No dividends were paid during the year due to the significant amount of cash returned to shareholders in the prior year by way of share buybacks. The change in net asset value (before distributions to shareholders) is the main performance indicator used by the Board.

More detailed comments by investment category are set out below.

Quoted financial investments

The Group has a spread of financial investments comprising equity funds (investment trusts and unit trusts), absolute return funds and hedge funds. Investment performance, both in absolute terms and relative to the market, is regularly reviewed and adjustments are made to the portfolio when necessary.

At 31 March 2017 the market value of these investments was £109.5m (2016: £97.0m) and represented 59% (2016: 57%) of Group net assets.

During the year a mature equity fund was realised with the proceeds reinvested in an equity income fund. The equity funds have benefitted from rising markets attributable to quantitative easing programmes, low interest rates and a weak pound.

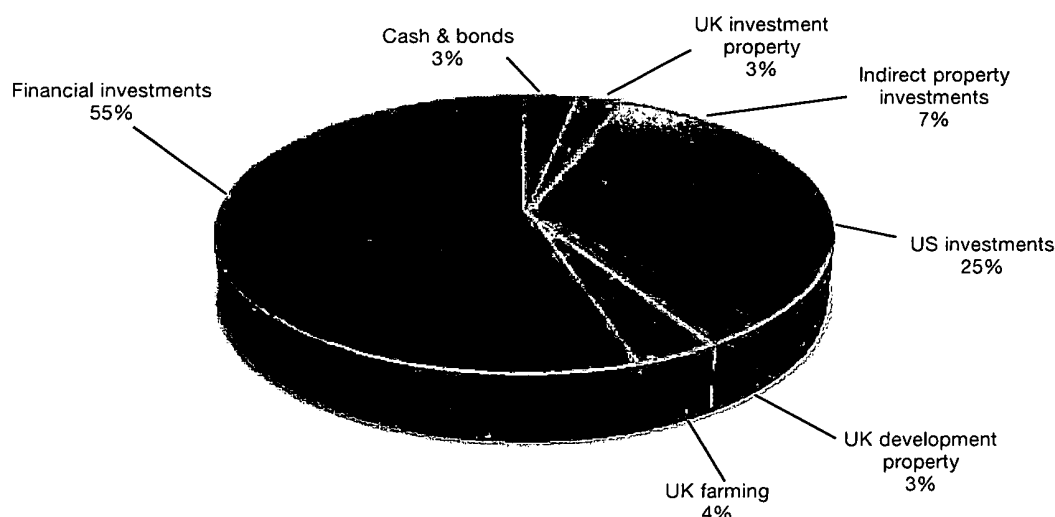
The decision has been taken to withdraw from all hedge funds due to a period of underperformance. This process has begun and will hopefully complete in the coming year.

The Board monitors the performance of the individual investment managers on a regular basis. The reasons for withdrawing funds from a manager would include loss of confidence in their investment strategy or in their ability to execute that strategy. Short term underperformance would not be a reason in itself.

Strategic report

continued

**Group asset allocation without commitments
at market value 31 March 2017**



Assets held in the USA

The net book value of the assets held in the US at 31 March 2017 was £47.0m (2016: £42.3m). The main asset in the US was cash with £19.7m (2016: £24.8m) held in US dollars and £22.2m (2016: £12.2m) held in sterling. The US investment represents 25% (2016: 25%) of Group net assets.

Over the year the US dollar gained 7.3% against sterling resulting in net unrealised gains of £4.0m which contributed to the increase in our net assets in the year.

During the year \$13.0m was converted to sterling at an average rate of \$1.31/£1.00 giving £9.9m.

Subsequent to the year end in April 2017 funds were repatriated from the US to the UK by way of dividends paid from Taylor Clark Inc to Taylor Clark International totalling £33.4m. Following payment of the dividends, the remaining US assets comprise the investment in our New York property fund, Benchmark, and cash balances. This represents approximately 7% of current Group net assets. We feel a maximum allocation of 10% of Group net assets is a comfortable level of US exposure going forward and will monitor this accordingly.

Direct property investment and joint ventures

Atlantic Square, our development site in the Broomielaw district of Glasgow, was granted planning consent in early 2016 for the development of two multi-storey office buildings and a residential apartment building together with ancillary uses. During the year our development partner, BAM Properties Limited, launched a marketing campaign which attracted interest and we are currently involved in advanced discussions with a potential tenant.

If a pre-let is secured, we plan to start development of the site as a joint venture between BAM Properties and Taylor Clark.

Investment in unquoted property funds

The Group is invested in a number of unquoted property funds. These give access to a range of different managers and a chance to participate in investments that would be too big for the Group to undertake on its own. The investments made by these funds are in the UK, US and Western Europe.

The Group received income distributions totalling £0.7m which are included under other operating income in the profit and loss account. In addition the Group received capital distributions of £4.0m and made further investments of £3.3m.

Three new commitments totalling £10.3m were made during the year to existing and new fund managers here in the UK and Western Europe.

At 31 March 2017 total commitments were £45.8m (2016: £35.1m) of which £30.2m (2016: £21.2m) had been drawn.

Cash and borrowings

At 31 March 2017 the Group held US dollar and sterling bank balances totalling £48.2m (2016: £43.4m). The majority of the sterling funds are currently placed with Clydesdale Bank and the majority of US dollars are currently placed with Wells Fargo. There were no bank borrowings at 31 March 2017. Subsequent to the year end we have invested £10.0m of this cash in two of the absolute return funds.

Principal risks

The principal risks the Company faces arise from the portfolio of financial investments and are common to any portfolio of equity investments and cash. These risks include valuation/market price risk, currency risk, liquidity risk and the risk that the third party managers with whom funds have been invested do not perform as expected.

In order to manage financial investment risk the Board sets limits on the funds allocated to particular activities. The allocation and the underlying investments are reviewed at six meetings a year by the Board's investment committee that is chaired by an external independent member.

Future developments

As in prior years, the Group has a conservative asset allocation and no debt. The challenge it faces in the short term is how best to invest the large amount of cash repatriated from the US. Equities in particular continue to feel fully valued, as do other asset classes, so we are taking a cautious approach at this time. As ever, we shall seek to invest as opportunities arise.

On behalf of the Board,

Caroline Madelin
Director



26 July 2017

Directors' report

Directors

The directors in office throughout the year and at the date of this report are set out on page 2.

Directors' indemnity provisions

The Group maintains a Directors and Officers insurance policy which covers the Directors and Officers of the Company against defending a claim made against them in their capacity as a Director or Officer of the Company.

Dividends

No interim dividends were paid in the year (2016: *none*) as cash was returned to the shareholders in the prior year by way of 2 share buybacks; please refer to note 12 for details. The directors recommend payment of a final dividend of 9.5800 pence per Ordinary A Share (2016: *0.000 pence per Ordinary A Share*) and 10.5380 pence per Ordinary B Share (2016: *0.000 pence per Ordinary B Share*).

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

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

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Directors' report: statutory and other disclosures

This Directors' report should be read in conjunction with the Strategic report which is deemed to form part of this Directors' report to the extent required by applicable law or regulation.

On behalf of the Board

Caroline Madelin
Director and Secretary



26 July 2017

Independent auditor's report to the members of Taylor Clark Limited

We have audited the financial statements of Taylor Clark Limited for the year ended 31 March 2017 set out on pages 10 to 36. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

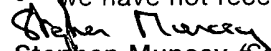
Independent auditor's report to the members of Taylor Clark Limited

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.


Stephen Muncey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

26 July 2017

Statement of directors' responsibilities in respect of the annual report

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

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

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

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

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

Consolidated profit and loss account and other comprehensive income

for the year ended 31 March 2017

	Note	2017 Con- tinuing £'000	2017 Discon- tinuing £'000	Total £'000	2016 Con- tinuing £'000	2016 Discon- tinuing £'000	Total £'000
Turnover of the group including its share of joint ventures		502	–	502	1,670	1,037	2,707
Less: Share of turnover of joint ventures		–	–	–	(1,059)	–	(1,059)
Group turnover	3	502	–	502	611	1,037	1,648
Cost of sales		(634)	–	(634)	(556)	(912)	(1,468)
Gross (loss)/profit		(132)	–	(132)	55	125	180
Administrative expenses		(1,494)	–	(1,494)	(2,020)	(314)	(2,334)
Other operating income	4	2,820	–	2,820	2,085	–	2,085
Group operating profit/(loss)		1,194	–	1,194	120	(189)	(69)
Share of operating (loss)/profit of joint ventures		(1)	–	(1)	177	–	177
Total operating profit		1,193	–	1,193	297	(189)	108
Gain on disposal of operations	2	93	–	93	–	8,676	8,676
Gain on fixed asset investment disposals		607	–	607	16	–	16
Provisions made against investment property		(703)	–	(703)	–	–	–
Provisions made against fixed asset investments		(824)	–	(824)	(1,361)	–	(1,361)
Profit before interest		366	–	366	(1,048)	8,487	7,439
Interest receivable and similar income	6	12,821	–	12,821	375	–	375
Interest payable and similar expenses	7	(3,076)	–	(3,076)	(2,642)	–	(2,642)
Profit before tax		10,111	–	10,111	(3,315)	8,487	5,172
Tax on profit		(1,984)	–	(1,984)	1,111	(3,583)	(2,472)
Profit for the financial year		8,127	–	8,127	(2,204)	4,904	2,700
Other comprehensive income							
Foreign exchange differences on translation of foreign operations		7,066	–	7,066	1,348	–	1,348
Total comprehensive income for the year		15,193	–	15,193	(856)	4,904	4,048

The notes on pages 16 to 36 form part of these financial statements.

Consolidated balance sheet

for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	13	3,993	2,167
Investments in joint ventures:			
Share of gross assets		130	130
Share of gross liabilities		(2)	(1)
	15	128	129
Investment property	14	7,734	9,619
Other investments	16	122,337	107,513
		134,192	119,428
Current assets			
Property and developments		5,392	5,392
Stocks	18	192	166
Debtors due after more than one year	19	–	2,137
Debtors due within one year	19	634	373
Investments		–	810
Cash at bank and in hand		48,224	43,379
		54,442	52,257
Creditors: amounts falling due within one year	20	(311)	(688)
Net current assets		54,131	51,569
Total assets less current liabilities		188,323	170,997
Provisions for liabilities and charges	21	(2,809)	(676)
Net assets		185,514	170,321
Capital and reserves			
Called up share capital	22	698	698
Capital redemption reserve	22	1,605	1,605
Profit and loss account:			
Distributable		146,756	141,074
Non-distributable		36,455	26,944
	22	183,211	168,018
Shareholders' funds		185,514	170,321

Approved by the Board on 26 July 2017 and signed on its behalf by

C E Madelin Director



The notes on pages 16 to 36 form part of these financial statements.

Company number: 00340727

Company balance sheet

for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	13	1,932	54
Investment property	14	3,089	5,280
Other investments	16	143,906	130,602
		148,927	135,936
Current assets			
Debtors due within one year	19	5,289	4,945
Investments		–	810
Cash at bank and in hand		5,814	5,957
		11,103	11,712
Creditors: amounts falling due within one year	20	(24,678)	(24,543)
Net current assets		(13,575)	(12,831)
Total assets less current liabilities		135,352	123,105
Provisions for liabilities and charges	21	(2,522)	(327)
Net assets		132,830	122,778
Capital and reserves			
Called up share capital	22	698	698
Capital redemption reserve	22	1,605	1,605
Profit and loss account:			
Distributable		96,359	95,513
Non-distributable		34,168	24,962
	22	130,527	120,475
Shareholders' funds		132,830	122,778

Approved by the Board on 26 July 2017 and signed on its behalf by

C E Madelin Director



The notes on pages 16 to 36 form part of these financial statements.

Company number: 00340727

Consolidated statement of changes in equity

for the year ended 31 March 2017

	<i>Called up share capital</i> £'000	<i>Capital redemption reserve</i> £'000	<i>Profit and loss account</i> £'000	<i>Total equity</i> £'000
Balance at 1 April 2015	935	1,368	182,410	184,713
Total comprehensive income for the year				
Profit or loss	–	–	2,700	2,700
Other comprehensive income				
Foreign exchange differences on translation of foreign operations	–	–	1,348	1,348
Total comprehensive income for the year	–	–	4,048	4,048
Transactions with owners, recorded directly in equity				
Repurchase of own shares	(237)	237	(17,515)	(17,515)
Dividends	–	–	(925)	(925)
Total contributions by and distributions to owners	(237)	237	(18,440)	(18,440)
Balance at 31 March 2016	698	1,605	168,018	170,321
Balance at 1 April 2016	698	1,605	168,018	170,321
Total comprehensive income for the year				
Profit or loss	–	–	8,127	8,127
Other comprehensive income				
Foreign exchange differences on translation of foreign operations	–	–	7,066	7,066
Total comprehensive income for the year	–	–	15,193	15,193
Balance at 31 March 2017	698	1,605	183,211	185,514

The notes on pages 16 to 36 form part of these financial statements.

Company statement of changes in equity

for the year ended 31 March 2017

	<i>Called up share capital £'000</i>	<i>Capital redemption reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total equity £'000</i>
Balance at 1 April 2015	935	1,368	141,102	143,405
Total comprehensive income for the year				
Profit or loss	-	-	(2,187)	(2,187)
Total comprehensive income for the year	-	-	(2,187)	(2,187)
Transactions with owners, recorded directly in equity				
Repurchase of own shares	(237)	237	(17,515)	(17,515)
Dividends	-	-	(925)	(925)
Total contributions by and distributions to owners	(237)	237	(18,440)	(18,440)
Balance at 31 March 2016	698	1,605	120,475	122,778
Balance at 1 April 2016	698	1,605	120,475	122,778
Total comprehensive income for the year				
Profit or loss	-	-	10,052	10,052
Total comprehensive income for the year	-	-	10,052	10,052
Balance at 31 March 2017	698	1,605	130,527	132,830

The notes on pages 16 to 36 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Profit for the year		8,127	2,700
<i>Adjustments for:</i>			
Depreciation charges		103	283
Foreign exchange losses		2,873	440
Change in value of investment property		398	–
Share of loss/(profit) of joint ventures		1	(177)
Interest receivable and similar income		(12,618)	(185)
Interest payable and similar charges		–	2,012
Gain on sale of discontinued operations		–	(8,676)
Gain on sale of fixed asset investments		(700)	(16)
Provisions made against fixed asset investments		824	1,361
Taxation		1,984	2,472
		992	214
Decrease/(increase) in trade and other debtors		2,289	(52)
(Increase)/decrease in stocks		(26)	60
Increase in property developments		–	(241)
Decrease in trade and other creditors		(377)	(2,124)
		2,878	(2,143)
Interest received		243	185
Tax paid		(254)	(4,288)
Net cash from operating activities		2,867	(6,246)
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		9	16,757
Proceeds from sale of fixed assets investments		3,752	508
Return of capital	16	1,792	3,999
Received from joint ventures	15	–	1,225
Acquisition of tangible fixed assets	13	(25)	(32)
Acquisition of fixed asset investments	16	(7,681)	(13,468)
Acquisition of investment property	14	(424)	(5,726)
Net cash from investing activities		(2,577)	3,263
Cash flows from financing activities			
Repurchase of own shares	22	–	(17,515)
Dividends paid	12	–	(925)
Net cash from financing activities		–	(18,440)
Net increase/(decrease) in cash and cash equivalents		290	(21,423)
Cash and cash equivalents at 1 April 2016		44,189	65,175
Effect of exchange rate fluctuations on cash held		3,745	437
Cash and cash equivalents at 31 March 2017		48,224	44,189

The notes on pages 16 to 36 form part of these financial statements.

Notes on the accounts

1 Accounting policies

Taylor Clark Limited (the "Company") is a company limited by shares and incorporated, domiciled and registered in England in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in July 2015. The presentation currency of these financial statements is sterling, rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: biological assets and investment property.

1.2 Going concern

The Group's business activities are set out in the Strategic report. On the basis of their assessment of the Group's financial position and resources, the directors believe that the Group is well placed to manage its business risks. Therefore, the Group's directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1 Accounting policies (*continued*)

1.3 *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

1.4 *Foreign currency*

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

1.5 *Basic financial instruments*

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

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

Notes on the accounts

continued

1 Accounting policies (continued)

1.5 Basic financial instruments (continued)

Investments in ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	– 0%-4%
Other tangible assets:	
Short life equipment	– 50%
Farming equipment	– At between 10% and 20%
Other plant and equipment	– At between 10% and 33%
Assets in course of construction	– nil

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Discontinued operations

Discontinued operations are components of the group that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation or were subsidiaries acquired exclusively with a view to resale.

They are included in the profit and loss account in a separate column for the current and comparative periods, including the gain or loss on sale or impairment loss on abandonment.

1 Accounting policies (*continued*)

1.9 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.10 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, on the basis of independent professional valuations.

1.12 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.13 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes on the accounts

continued

1 Accounting policies (*continued*)

1.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.15 Turnover

Turnover represents the amounts receivable (excluding value added tax) in respect of sales from property development, rents, farm produce and leisure operations.

1.16 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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

2 Discontinued operations

The results presented as discontinued operations in the prior year relate to the trading results of the Marriott Courtyard and Residence Inn hotels.

Both hotels were sold on 5 June 2015.

3 Turnover and business segment analysis

By activity

2017	Property £'000	Hotels and Leisure £'000	Financial investments £'000	Other £'000	Total £'000
Group turnover	227	-	-	275	502
Operating profit/(loss)					
Group	(156)	(154)	2,396	(892)	1,194
Share of joint ventures	(1)	-	-	-	(1)
	(157)	(154)	2,396	(892)	1,193
Gains on property disposals	-	93	-	-	93
Gains on fixed asset investment disposals	-	-	607	-	607
Provisions made against investment property	-	-	(703)	-	(703)
Provisions made against fixed assets investments	-	-	(824)	-	(824)
Interest receivable	-	-	12,375	446	12,821
Interest payable	-	-	-	(3,076)	(3,076)
Profit/(loss) before taxation	(157)	(61)	13,851	(3,522)	10,111
Assets employed					
Group	15,354	18	122,337	47,677	185,386
Share of joint ventures	128	-	-	-	128
	15,482	18	122,337	47,677	185,514
2016					
Group turnover	244	1,037	-	367	1,648
Operating profit/(loss)					
Group	224	(189)	2,014	(2,118)	(69)
Share of joint ventures	177	-	-	-	177
	401	(189)	2,014	(2,118)	108
Gains on property disposals	-	8,676	-	-	8,676
Gains on fixed asset investment disposals	-	-	16	-	16
Provisions made against fixed assets investments	-	-	(1,361)	-	(1,361)
Interest receivable	-	-	-	375	375
Interest payable	-	-	(2,012)	(630)	(2,642)
Profit/(loss) before taxation	401	8,487	(1,343)	(2,373)	5,172
Assets employed					
Group	15,195	1,939	108,324	44,734	170,192
Share of joint ventures	129	-	-	-	129
	15,324	1,939	108,324	44,734	170,321

The 'Other' column includes group overhead costs in Operating profit/(loss).

Notes on the accounts

continued

3 Turnover and business segment analysis (continued)

By geographical market
(by destination and origin)

	UK	2017 North America	Total	UK	2016 North America	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Group turnover	502	–	502	614	1,034	1,648
Operating profit/(loss)						
Group	1,046	148	1,194	47	(116)	(69)
Share of joint ventures	(1)	–	(1)	177	–	177
	1,045	148	1,193	224	(116)	108
Gains on property disposals	–	93	93	–	8,676	8,676
Gains on fixed asset investment disposals	607	–	607	16	–	16
Provisions made against investment property	(703)	–	(703)	–	–	–
Provisions made against fixed assets investments	(824)	–	(824)	(1,361)	–	(1,361)
Interest receivable	12,583	238	12,821	256	119	375
Interest payable	–	(3,076)	(3,076)	(2,490)	(152)	(2,642)
Profit/(loss) before taxation	12,708	(2,597)	10,111	(3,355)	8,527	5,172
Assets employed						
Group	138,434	46,952	185,386	127,893	42,299	170,192
Share of joint ventures	128	–	128	129	–	129
	138,562	46,952	185,514	128,022	42,299	170,321

4 Other operating income

	2017 £'000	2016 £'000
Income from fixed asset investments	2,396	2,102
Revaluation of investment property	305	–
Other items	119	(17)
	2,820	2,085

5 Expenses and auditor's remuneration

	2017 £'000	2016 £'000
<i>Included in profit/loss are the following:</i>		
Provisions against investment property	703	–
Provisions against fixed asset investments	824	1,361
Depreciation	103	283
Auditor's remuneration:		
Audit of these financial statements	39	43
Audit of subsidiaries	17	23
Tax compliance services	31	29
Other tax advisory services	125	139
	1,842	1,878

6 Interest receivable and similar income

	2017 £'000	2016 £'000
Bank and other interest receivable	243	185
Currency translation differences	203	190
Gains on revaluation of fixed asset investments	12,375	–
	12,821	375

7 Interest payable and similar expenses

	2017 £'000	2016 £'000
Currency translation differences	3,076	630
Deficit on revaluation of fixed asset investments	–	2,012
	3,076	2,642

Notes on the accounts

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8 Staff costs and directors' emoluments

The average number of persons employed by the group (including directors) during the year was as follows:

	2017 Number	2015 Number
Property, management and administration	6	7
Other	3	3
	9	10

The aggregate payroll costs of these persons were as follows:

	2017 £'000	2016 £'000
Wages and salaries	554	724
Social security costs	64	79
Other pension costs	88	89
	706	892

Directors' remuneration:

	2017 £'000	2016 £'000
Directors' emoluments	237	393

The aggregate of emoluments of the highest paid director (excluding pension contributions) were £98,706 (2016: £161,000).

9 Pensions

Defined contribution pension scheme

Since 1 January 2011 the Group has operated a defined contribution scheme for certain UK based employees. The pension charge for the period includes contributions payable by the Group to the scheme of £87,698 (2016: £89,000). The contribution of the Group for the scheme was 27.5% (2016: 27.5%) of pensionable salary. The employees contributed an additional 6% (2016: 6%).

There were no contributions payable to the scheme at the year end (2016: £nil).

10 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £'000	2016 £'000
<i>UK corporation tax</i>		
Share of joint venture tax	-	(65)
Adjustment in respect of prior years	-	47
	-	(18)
<i>Foreign tax</i>		
Current tax expense on income for the year	254	3,583
Adjustment in respect of prior years	(404)	827
Total current tax	(150)	4,392
Deferred taxation	2,134	(1,920)
Total tax expense	1,984	2,472

	£'000 Current tax	2017 £'000 Deferred tax	£'000 Total tax	£'000 Current tax	2016 £'000 Deferred tax	£'000 Total tax
Recognised in profit and loss account	(150)	2,134	1,984	4,392	(1,920)	2,472
	(150)	2,134	1,984	4,392	(1,920)	2,472

Reconciliation of effective tax rate

	2017 £'000	2016 £'000
Profit for the year	8,127	2,700
Total tax expense	1,984	2,472
Profit excluding taxation	10,111	5,172
Tax using the UK corporation tax rate of 20% (2016: 20%)	2,022	1,034
Reduction in tax rate on deferred tax balances	(408)	(138)
Non-deductible expenses	320	285
Tax exempt revenues	(751)	(512)
Indexation on capital gains	449	(347)
Current year losses for which no deferred tax asset was recognised	56	164
Deferred tax not previously recognised	(65)	(5)
Overseas tax differences	(43)	1,117
Under provided in prior years	404	874
Total tax expense included in profit or loss	1,984	2,472

Notes on the accounts

continued

10 Taxation (continued)

In accordance with FRS 102.29, deferred tax assets are only recognised to the extent that it is probable they are recoverable against future taxable profits or deferred tax liability reversals. Accordingly a deferred tax asset of £1,258,000 (2016: £1,285,000) has not been recorded on the grounds that there is currently insufficient evidence that the asset will be recoverable against suitable taxable profits in the short term.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly. The deferred tax liability at 31 March 2017 has been calculated based on these rates.

11 Profit for the financial year

	2017 £'000	2016 £'000
Dealt with in the accounts of the holding company	10,050	(2,187)
Retained by subsidiary undertakings	(1,923)	4,887
	<u>8,127</u>	<u>2,700</u>

12 Dividends

	2017 £'000	2016 £'000
Amounts recognised as distributions to equity shareholders in the year		
Final dividends for the year ended 31 March 2016:		
Ordinary A shares 0.000p, (31 March 2015: 9.060p) per share	-	68
Ordinary B shares 0.000p, (31 March 2015: 9.966p) per share	-	857
Total dividends paid in the year	-	<u>925</u>
	<u>2017 £'000</u>	<u>2016 £'000</u>
Proposed final dividends for the year ended 31 March 2017:		
Ordinary A shares 9.58000p, (31 March 2016: 0.000p) per share	72	-
Ordinary B shares 10.5380p, (31 March 2016: 0.000p) per share	657	-
	<u>729</u>	<u>-</u>

13 Fixed assets: Tangible assets

	<i>Freehold land</i>	<i>Freehold property</i>	<i>Freehold property trading</i>	<i>Other tangible assets</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
<i>Group:</i>					
Cost or valuation:					
1 April 2016	-	-	2,399	1,303	3,702
Additions	-	-	-	25	25
Transfer from investment property	354	1,557	-	-	1,911
Disposals	-	-	-	(9)	(9)
Surplus on revaluation	-	-	-	2	2
31 March 2017	354	1,557	2,399	1,321	5,631

	<i>Freehold land</i>	<i>Freehold property</i>	<i>Freehold property trading</i>	<i>Other tangible assets</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
<i>Group:</i>					
Depreciation:					
1 April 2016	-	-	494	1,041	1,535
Charged in year	-	-	36	67	103
Disposals	-	-	-	-	-
31 March 2017	-	-	530	1,108	1,638

Net book value:					
1 April 2016	-	-	1,905	262	2,167
31 March 2017	354	1,557	1,869	213	3,993

	<i>Freehold land</i>	<i>Freehold property</i>	<i>Other tangible assets</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
<i>Company:</i>				
Cost or valuation:				
1 April 2016	-	-	480	480
Additions	-	-	3	3
Transfer from investment property	354	1,557	-	1,911
31 March 2017	354	1,557	483	2,394

	<i>Freehold land</i>	<i>Freehold property</i>	<i>Other tangible assets</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
<i>Company:</i>				
Depreciation:				
1 April 2016	-	-	426	426
Charged in year	-	-	36	36
31 March 2017	-	-	462	462
Net book value:				
1 April 2016	-	-	54	54
31 March 2017	354	1,557	21	1,932

Notes on the accounts

continued

14 Investment property

	£'000
<i>Group:</i>	
At 1 April 2016	9,619
Additions	424
Transfer	(1,911)
Revaluation	305
Impairment	(703)
31 March 2017	7,734
	£'000
<i>Company:</i>	
At 1 April 2016	5,280
Additions	423
Transfer	(1,911)
Impairment	(703)
31 March 2017	3,089

There were no contractual obligations to purchase, construct or develop investment property as of 31 March 2017, nor any contractual obligations for repairs, maintenance or enhancements of investment property.

£4,645,000 (2016: £4,339,000) (Company: £nil (2016: £nil)) of investment property fair value is based on a valuation by an external independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

£3,089,000 (2016: £5,280,000) (Company: £3,089,000 (2016: £5,280,000)) of investment property fair value is based on a valuation prepared by the company's own surveyor which has been reviewed and agreed by the directors.

The transfer relates to a change in intention to owner occupation of the ground and lower ground floors of 20 York Street, London. The amount of £1,911,000 is now recognised in freehold land and buildings (see note 13).

Any gain or loss arising from a change in fair value is recognised in profit or loss.

15 Fixed assets: Investments in joint ventures

	<i>Group</i> £'000
Cost or valuation:	
1 April 2016 and 31 March 2017	1,701
	£'000
Share of post acquisition reserves:	
1 April 2016	(1,572)
Retained profits less losses	(1)
31 March 2017	(1,573)
Net book value:	
1 April 2016	129
31 March 2017	128

At both 1 April 2016 and 31 March 2017 the Group held 50% of the voting rights and exercised joint control of Bowmore Estates Limited ('Bowmore'), a property development company registered in England and Wales. At 31 March 2017 the Group's funding loan to Bowmore was £1,700,000 (2016: £1,700,000). No interest is payable on the loan.

Bowmore is subject to UK corporation tax.

Notes on the accounts

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16 Fixed assets: Other investments

		<i>Listed</i> £'000	<i>Other</i> £'000	<i>Total</i> £'000
<i>Group:</i>				
Cost or market value:				
1 April 2017		100,672	11,686	112,358
Additions		3,910	3,771	7,681
Return of capital		–	(1,792)	(1,792)
Disposals		(4,707)	(155)	(4,862)
Revaluation surplus		12,375	–	12,375
Translation difference		–	529	529
31 March 2017		112,250	14,039	126,289
		£'000	£'000	£'000
<i>Group:</i>				
Provisions:				
1 April 2016		3,670	1,175	4,845
Increase in the year		688	136	824
Disposals		(1,576)	(141)	(1,717)
31 March 2017		2,782	1,170	3,952
Net book value:				
1 April 2016		97,002	10,511	107,513
31 March 2017		109,468	12,869	122,337
		£'000	£'000	£'000
	<i>Shares in subsidiary undertakings</i>	<i>Listed</i> £'000	<i>Other</i> £'000	<i>Total</i> £'000
<i>Company:</i>				
Cost or valuation:				
1 April 2016	28,175	100,672	8,146	136,993
Additions	–	3,910	2,561	6,471
Return of capital	–	–	(1,381)	(1,381)
Disposals	–	(4,707)	(155)	(4,862)
Revaluation surplus	–	12,375	–	12,375
31 March 2017	28,175	112,250	9,171	149,596
	£'000	£'000	£'000	£'000
<i>Company:</i>				
Provisions:				
1 April 2016	1,545	3,670	1,175	6,390
Increase in the year	193	688	136	1,017
Disposals	–	(1,576)	(141)	(1,717)
31 March 2017	1,738	2,782	1,170	5,690
Net book value:				
1 April 2016	26,630	97,002	6,971	130,603
31 March 2017	26,437	109,468	8,001	143,906

17 Subsidiary undertakings

The company owned the proportions set out below of the issued share capital of the following subsidiary undertakings:

	Percentage of equity owned at 31 March 2017	Country of registration/ incorporation
Property		
Taylor Clark Properties Limited	100	Scotland
TCP Atlantic Square Limited	100*	England
TCP Developments Limited	100	Scotland
TCP Pilgrim Limited (dormant)	100*	England
Bowmore Estates Limited	50*	England
Farming		
Wyllye Valley Farming Limited	100	England
USA		
Taylor Clark Inc	100*	USA
Castlehill Properties Inc	100*	USA
Other		
Taylor Clark International Limited	100	England
Taylor Clark Leisure plc	100	Scotland

*Owned by a subsidiary undertaking

Registered Office for England – 20 York Street, London, W1U 6PU

Registered Office for Scotland – 185 St Vincent Street, Glasgow, G2 5QD

Registered Office for USA – 1257 Temple Terrace, Laguna Beach, California 92651, USA

18 Stocks

	Group	
	2017 £'000	2016 £'000
Stocks comprise:		
Farm produce	192	166

19 Debtors

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<i>Amounts due after one year</i>				
Amounts owed by third parties	–	2,137	–	–
	–	2,137	–	–
<i>Amounts due within one year</i>				
Trade debtors	40	4	–	–
Group relief	–	–	22	–
Amounts owed by subsidiary undertakings	–	–	5,047	4,733
Corporation tax receivable	341	–	–	–
Other debtors	122	200	106	119
Prepayments and accrued income	131	169	114	93
	634	373	5,289	4,945

Notes on the accounts

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19 Debtors (continued)

The amount due after one year of £2,137,000 in the prior year was a promissory note receivable of \$3,000,000 that was accepted from the buyer of the Heathman Kirkland hotel. The note was secured on the hotel property and carried interest of 4.5% for the first year, 5.5% for the second year and 6.5% for the third year. The principal and all interest accrued was due to be repaid in February 2018 but was repaid early on 30 September 2016. The amount of interest received to 30 September 2016 was \$235,933.

Amounts owed by subsidiaries are repayable on demand.

20 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	84	38	67	27
Amounts owed to subsidiary undertakings	–	–	24,519	24,387
Other creditors including taxation and social security	144	236	26	56
Accruals and deferred income	83	414	66	73
	311	688	24,678	24,543

Bank loans and overdrafts of £nil (2016: £nil) are secured by a debenture granted to a bank over the whole assets and undertaking of the Company.

Amounts owed to subsidiaries are repayable on demand.

21 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributed to the following:

	2017	2016
	£'000	£'000
<i>Group</i>		
Accelerated capital allowances	86	121
Unused management expenses	(1,198)	(1,770)
Revaluation of fixed asset investments	3,691	2,109
Revaluation of investment property	231	216
Basis difference and other timing differences	(1)	–
Net tax liability	2,809	676
	2017	2016
	£'000	£'000
<i>Company</i>		
Accelerated capital allowances	29	(12)
Unused management expenses	(1,198)	(1,770)
Revaluation of fixed asset investments	3,691	2,109
Net tax liability	2,522	327

In addition to the deferred tax assets and liabilities above, the Group has an unrecognised deferred tax asset of £1,258,000 (2016: £1,285,000), in respect of losses (see Note 10).

The Company has no unrecognised deferred tax assets (2016: £nil).

22 Capital and reserves

	Ordinary A shares of £0.10		Ordinary B shares of £0.10		Total
	Number	Value £'000	Number	Value £'000	Value £'000
Share capital					
Allotted, called up and fully paid					
At 31 March 2016 and 2017	748,236	75	6,232,033	623	698

The A shares and the B shares rank *pari passu* except

- When a dividend is declared on the A shares a dividend must also be declared on the B shares and vice versa
- The dividend per share on the B shares must be 110% of the dividend per share on the A shares
- On a winding up of the company the B shares will be entitled to a distribution per share of 110% of the amount distributed per share on the A shares
- The holders of the B shares have no rights to receive notice of or to attend or to vote at any General Meeting of the Company.

In February 2016 the shareholders approved, by special resolutions in writing, the purchase by the Company for cancellation of 343,954 ordinary £0.10 B shares at a price of £7.40 per share. This represented 4% of each shareholder's ordinary £0.10 B shares. The purchase of shares took place on 17 February 2016 at a total cost of £2,545,268 which was settled in cash.

In March 2016 the shareholders approved, by special resolutions in writing, the purchase by the Company for cancellation of 2,022,890 ordinary £0.10 B shares at a price of £7.40 per share. This represented 100% of The Underwood Trust's remaining B shareholding. The purchase took place on 18 March 2016 at a total cost of £14,969,386 which was settled in cash.

R Bennison and R J Harvey are both directors of the Company and trustees of The Underwood Trust. They have no beneficial interest in the assets held by the trust.

	2017 £'000	2016 £'000
Capital redemption reserve		
<i>Group:</i>		
At beginning of year	1,605	1,368
Repurchase of own shares	–	237
At end of year	1,605	1,605
	2017 £'000	2016 £'000
<i>Company:</i>		
At beginning of year	1,605	1,368
Repurchase of own shares	–	237
At end of year	1,605	1,605

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22 Capital and reserves (*continued*)

	2017 £'000	2016 £'000
Profit and loss account		
<i>Group:</i>		
At beginning of year	168,018	182,410
Profit for the year	8,127	2,700
Currency translation difference	7,066	1,348
Repurchase of own shares	–	(17,515)
Dividends paid	–	(925)
At end of year	183,211	168,018

Profit and loss reserves at 31 March 2017 comprise £146,756,000 available for distribution and £36,455,000 non-distributable (2016: £141,074,000 distributable and £26,944,000 non-distributable).

	2017 £'000	2016 £'000
<i>Company:</i>		
At beginning of year	120,475	141,102
Profit/(loss) for the year	10,052	(2,187)
Repurchase of own shares	–	(17,515)
Dividends paid	–	(925)
At end of year	130,527	120,475

Profit and loss reserves at 31 March 2017 comprise £96,359,000 available for distribution and £34,168,000 non-distributable (2016: £95,513,635 distributable and £24,963,294 non-distributable).

23 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2017 £'000	2016 £'000
<i>Group:</i>		
Assets measured at fair value through profit and loss	109,469	97,002
Assets measured at cost less impairment	12,847	10,491
	122,316	107,493
<i>Company:</i>		
Assets measured at fair value through profit and loss	109,468	97,002
Assets measured at cost less impairment	7,980	6,950
	117,448	103,952

An explanation of the fair value method can be found in Note 27.

24 Commitments

The Company holds investments which may result in the drawdown of further funds in future periods. Under this arrangement, the Company is committed to providing further investment of £30,155,000 (2016: £21,217,000).

In November 2014 the Company (together with TCP Atlantic Square Limited and TCP Developments Limited) entered into a Development Agreement with BAM Properties Limited (BAM) to jointly promote the successful development of TCP Atlantic Square Limited's development site in Glasgow. The Company together with TCP Developments Limited has guaranteed TCP Atlantic Square Limited's obligations under the Development Agreement.

Planning consent for the development of two multi-storey office buildings and a residential apartment building together with ancillary uses was granted in early 2016. The development will commence once an agreement for lease ('pre-let') has been entered into with an occupier for a significant part of the offices. In that event the Development Agreement with BAM will become a formal 50/50 joint venture. If there is no pre-let within three years of the grant of planning consent the site will be sold and the proceeds split between TCP Atlantic Square Limited and BAM in an agreed proportion.

The Company has a commitment under an operating lease to pay rent for its offices of £48,000 until June 2017 (2016: £207,000 per annum).

25 Contingent liabilities

The Company, together with certain of its fellow group undertakings, has group facilities with its bankers. In connection with these facilities each participating undertaking has guaranteed the debt due by its fellow participating undertakings to its bankers. The Company's potential liability under the guarantee at 31 March 2017 was £nil (2016: £nil).

26 Related parties

Identity of related parties with which the Group has transacted

The Underwood Trust

The Underwood Trust is an English charitable trust which was established in 1973. The Trustees of The Underwood Trust include Mr R Clark who is also a shareholder in Taylor Clark Limited. In February and March 2016 the Trust sold 2,107,177 B shares of £0.10 each back to Taylor Clark Limited for £7.40 per share. Please refer to Note 22 for further details.

Prior to the sale the Trust held 2,107,177 B shares of £0.10 each, representing 24.5% of the B shares in issue and 22.5% of the total shares in issue. Following the sale the Trust ceased to be a shareholder of Taylor Clark Limited and as such is no longer a related party.

Transactions with key management personnel

Total compensation of key management personnel in the year amounted to £237,000 (2016: £393,000).

Related party transactions

	2017 £'000	2016 £'000
Dividends paid by Taylor Clark Limited and received in a beneficial capacity by:		
The Underwood Trust	–	210
Directors of Taylor Clark Limited	–	66
Key management personnel of the Company and its group	237	393
At end of year	237	669

Mr R Clark and his family and Mr C Clark are the ultimate controlling parties of the Group.

During the year no amounts were written off any of the balances with related parties.

Notes on the accounts

continued

27 Accounting estimates and judgements

In the application of the Group's accounting policies which are described in Note 1, the directors are required to make judgements, estimates and assumptions about carrying amounts 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 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For assets and liabilities held at fair value, the directors' estimate of fair value is based upon valuations provided annually by external, independent valuers, each of whom have an appropriate recognised professional qualification and relevant experience.

There are no other critical judgements or key sources of estimation uncertainty that the directors have made in the process of applying the company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

Financial record

for the year ended 31 March 2017

	<i>FRS 102</i>		<i>Old UK GAAP</i>		
	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Reconciliation of movements in shareholders' funds					
Profit/(loss) after taxation	8,127	2,700	26,985	325	(3,733)
Dividends	–	(925)	(3,246)	(1,565)	(1,537)
Other recognised gains	7,066	1,348	2,675	1,924	9,849
Purchase of own shares	–	(17,515)	–	–	–
Net movement in shareholders' funds	15,193	(14,392)	26,414	684	4,579
Opening balance of shareholders' funds	170,321	184,713	158,299	156,541	151,962
Closing balance of shareholders' funds	185,514	170,321	184,713	157,225	156,541
Balance sheet					
Fixed assets:					
Investment property	7,734	9,619	3,893	–	–
Tangible assets	3,993	2,167	10,058	36,897	41,489
Investments	122,465	107,642	102,965	95,475	96,334
Net current assets	54,131	51,569	70,367	25,823	20,020
Other liabilities and provisions	(2,809)	(676)	(2,570)	(970)	(1,302)
Net assets	185,514	170,321	184,713	157,225	156,541
Capital and reserves					
Called up share capital	698	698	935	935	935
Revaluation reserve	–	–	–	19,386	17,555
Other reserves	184,816	169,623	183,778	136,904	138,051
Shareholders' funds	185,514	170,321	184,713	157,225	156,541