

Innisfree Limited
Directors' Report and Accounts
for the year ended 31 March 2019

Registered Number 3039792



Innisfree Limited

Directors' Report and Accounts

for the year ended 31 March 2019

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Strategic report for the year ended 31 March 2019**Results and review of the business**

Innisfree is a leading equity investor in UK and international PFI and PPP public-private sector infrastructure projects. Innisfree has £1.7 billion of funds under management in 4 long term infrastructure funds. Innisfree has committed £1.6 billion to 57 projects (2018 - £1.6 billion, 57 projects). Together these projects amount to £18.4 billion (2018 - £18.4 billion) in capital value.

The profit for the financial year was £12,815,545 (2018 - £10,598,408).

Funds under management

The funds under management at 31 March 2019 comprised Innisfree M&G PPP LP ('IMPPP Fund'), Innisfree PFI Continuation Fund ('Fund Ilc'), Innisfree PFI Secondary Fund ('ISF') and Innisfree PFI Secondary Fund 2 LP ('ISF2') (together, the 'Innisfree Funds').

The Innisfree Funds are as follows:

	Final Closing	Fund Raising Status	Fund Investing Status	Fund Size (£ million)
IMPPP Fund	2002/6	Closed	Closed	225
Fund Ilc	2006	Closed	Closed	350
ISF	2008	Closed	Closed ^{*1}	601
ISF2	2013	Closed	Open	544

^{*1} The Drawdown Period of ISF expired on 30 June 2016 but the fund was able to make Follow-On Investments until 30 June 2018.

IMPPP Fund is managed jointly by Innisfree Limited and M&G Investment Management Limited, a subsidiary of Prudential plc.

Key performance indicators

The directors consider funds under management and profit before taxation to be the key performance indicators for Innisfree Limited (the 'Company'). Performance for the year against these has been outlined above.

On behalf of the Board,



D.J. Burton
Director and Secretary
28 June 2019

First floor, Boundary House
91/93 Charterhouse Street
London
EC1M 6HR

Innisfree Limited

Directors' report for the year ended 31 March 2019

The directors present their annual report on the affairs of the Company, together with the audited accounts and Independent auditors' report, for the year ended 31 March 2019.

Principal activity and future developments

The principal activity of the Company is the management of private equity funds investing in UK, European and Canadian PFI/PPP projects. The directors expect the Company to carry on business in a similar fashion in the future.

The Company is authorised and regulated by the Financial Conduct Authority, registration number 176485.

Dividends

Dividends of £10,781,000 (2018 - £8,710,000) were paid in the year. Full details are included in note 9.

Directors

The directors of the Company holding office during the year and up to the date of signing of these accounts were:

D.A. Metter	(Chief Executive)
M.J. Webber	
T.R. Pearson	
T.J. Kashem	(resigned 1 February 2019)
G.M. Beazley-Long	
N.J.E. Crowther	(resigned 31 May 2019)
D.J. Burton	
S.J. Clark	(appointed 20 February 2019)
C. James	(appointed 20 February 2019)
S. Sidhu	(appointed 20 February 2019)
S.C. Todd	(appointed 15 April 2019)

The directors have the benefit of a qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006) as they maintain Directors' and Officers' insurance in respect of the Company and its directors. This insurance was in force throughout the financial year and up to the date of approval of these accounts.

Financial Risk Management

The directors have considered the principal risks and uncertainties related to the Company and consider financial risk to be the most relevant.

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. These are managed in the following ways:

(a) Credit risk

The principal source of income is fund management income. This is received from group companies that, in turn, receive their income from fees received from the Innisfree Funds. The Limited Partners in these partnerships are predominantly large institutional and financial investors. The partnership agreements provide step-in rights for non-defaulting investors to meet the partnership obligations. The principal source of income to the Innisfree Funds is interest and dividends receivable from projects. The projects have a policy of contracting with creditworthy counterparties. The PFI concession contracts are entered into with government, quasi government and other public or equivalent low-risk bodies. The Company is represented on the Boards of project companies which reduces the risk of non-payment of the amounts due.

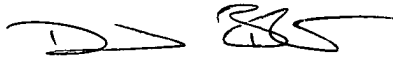
Innisfree Limited

Directors' report for the year ended 31 March 2019 (continued)

Independent auditors

PricewaterhouseCoopers LLP has indicated its willingness to continue in office as auditors for the ensuing year.

On behalf of the Board,



D.J. Burton
Director and Secretary
28 June 2019

First floor, Boundary House
91/93 Charterhouse Street
London
EC1M 6HR

Innisfree Limited

Directors' report for the year ended 31 March 2019 (continued)

Financial Risk Management (continued)

(b) Liquidity risk

The Company is ungeared and maintains cash balances on short-term deposit with several large financial institutions. Fund management income is received semi-annually in advance. This policy ensures that the Company has sufficient available funds for operations and planned expansion.

(c) Interest rate risk

The Company's interest income is not significant in relation to its operations. Income from the Company's cash balances is subject to fluctuations in prevailing deposit interest rates. The Company has no external debt.

Statement of directors' responsibilities

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have prepared the accounts 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' ('FRS 102'). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

Each of the directors in office at the date of this report confirms that:

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

Innisfree Limited

Independent Auditors' Report to the members of Innisfree Limited

Report on the audit of the accounts

Opinion

In our opinion, Innisfree Limited's accounts:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the accounts, included within the Directors' Report and Accounts (the 'Annual Report'), which comprise; the Balance Sheet as at 31 March 2019, the Profit and Loss Account, the Statement of Changes in Equity for the year then ended and the notes to the accounts, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the accounts section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the 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 accounts are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and, in common with other companies, it is difficult to evaluate all of the potential implications on the Company's business and the wider economy.

Innisfree Limited

Independent Auditors' Report to the members of Innisfree Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the accounts and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the accounts 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the accounts and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the accounts and the audit

Responsibilities of the directors for the accounts

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the accounts in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Innisfree Limited

Independent Auditors' Report to the members of Innisfree Limited (continued)

Auditors' responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 (UK) 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Richard McGuire

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2019

Innisfree Limited**Profit and Loss Account for the year ended 31 March 2019**

	Note	2019 £	2018 £
Turnover	4	20,956,897	20,368,687
Administrative expenses		(8,197,549)	(9,790,726)
Operating profit	5	12,759,348	10,577,961
Interest receivable and similar income	6	51,577	13,849
Profit before taxation		12,810,925	10,591,810
Tax on profit	8	4,620	6,598
Profit for the financial year		12,815,545	10,598,408

The Company has no income other than the amounts shown above in either the current year or preceding year and consequently no Statement of Comprehensive Income has been prepared.

The accompanying notes on pages 11 to 20 are an integral part of these accounts.

Innisfree Limited
Balance Sheet as at 31 March 2019

Company Number: 3039792

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	10	468,557	531,565
Current assets			
Debtors	11	7,255,820	6,769,608
Cash at bank		9,183,230	7,649,660
		16,439,050	14,419,268
Creditors: amounts falling due within one year	12	(1,670,376)	(1,743,527)
Net current assets		14,768,674	12,675,741
Total assets less current liabilities		15,237,231	13,207,306
Provisions for liabilities	13	(55,538)	(60,158)
Net assets		15,181,693	13,147,148
Capital and reserves			
Called-up share capital	14	100,000	100,000
Profit and loss account		15,081,693	13,047,148
Total equity		15,181,693	13,147,148

The accompanying notes on pages 11 to 20 are an integral part of these accounts.

The accounts on pages 8 to 20 were authorised for issue by the board of directors on 27 June 2019 and were signed on its behalf.

D.A. Metter
 Director
 28 June 2019



Innisfree Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Note	Called-up share capital £	Profit and loss account £	Total equity £
Balance as at 1 April 2017		100,000	11,158,740	11,258,740
Profit for the financial year		-	10,598,408	10,598,408
Total comprehensive income		-	10,598,408	10,598,408
Dividends	9	-	(8,710,000)	(8,710,000)
Total transactions with owners recognised directly in equity		-	(8,710,000)	(8,710,000)
Balance as at 31 March 2018		100,000	13,047,148	13,147,148
Balance as at 1 April 2018		100,000	13,047,148	13,147,148
Profit for the financial year		-	12,815,545	12,815,545
Total comprehensive income		-	12,815,545	12,815,545
Dividends	9	-	(10,781,000)	(10,781,000)
Total transactions with owners recognised directly in equity		-	(10,781,000)	(10,781,000)
Balance as at 31 March 2019		100,000	15,081,693	15,181,693

The accompanying notes on pages 11 to 20 are an integral part of these accounts.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019

1 General information

The Company is a private company limited by shares and is incorporated in England and Wales with reference 3039792. Its registered office is First floor, Boundary House, 91/93 Charterhouse Street, London EC1M 6HR.

2 Statement of compliance

The accounts of the Company have been prepared in compliance with:

- Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102'); and
- The Companies Act 2006.

3 Accounting policies

The principal accounting policies applied in the preparation of these accounts are set out below. The policies have been consistently applied to all of the years presented, unless otherwise stated. The Company has adopted FRS 102 in these accounts.

(a) Basis of preparation

The accounts are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and FRS 102.

The preparation of accounts in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the accounts.

(b) Tangible fixed assets

Fixed assets are shown at cost less depreciation. Depreciation is provided at rates calculated to write-off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. Computers are depreciated over 3 years. Furniture, fixtures and fittings and leasehold improvements are written-off over the term of the lease which expires on 9 June 2025.

(c) Going concern

The directors have reviewed the Company's projected profit and have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. The Company therefore continues to adopt the going concern basis.

(d) Turnover

Turnover is recognised on an accruals basis and represents amounts receivable for services provided in the normal course of business, exclusive of VAT and similar taxes.

Transaction fees represent amounts receivable for work performed in relation to investing in companies involved in public-private sector projects. Transaction fees receivable are accounted for in the financial year in which the concession agreement relating to the project is signed, all material conditions thereon have been met at the Balance Sheet date and the transaction has been completed prior to issue of the year end accounts.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

3 Accounting policies (continued)

(e) Exemptions under FRS 102

FRS 102 allows certain disclosure exemptions. The Company has taken advantage of the following such exemptions:

(i) Statement of cash flows

The Company has taken advantage of the exemption from preparing a statement of cash flows under FRS 102 paragraph 1.12(b) on the basis that it is a qualifying entity and its ultimate parent company, Innisfree Group Limited, includes the Company's cash flows in its own consolidated accounts which are publicly available.

(ii) Related party transactions

Under the provisions of FRS 102, the Company is exempt from disclosing related party transactions with other wholly owned group companies.

(iii) Financial instruments

Under the provisions of FRS 102, the Company is exempt from disclosing certain financial instrument disclosures on the basis that it is a qualifying entity and equivalent disclosures are included within the accounts of Innisfree Group Limited, in which the Company is consolidated and which are publicly available.

(f) Dividends

Dividends are recognised when the dividend is paid or approved by shareholders. These amounts are recognised in the Statement of Changes in Equity.

(g) Taxation

Taxation expense 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 in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity, respectively.

Current or deferred taxation assets or liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the year end.

Deferred tax arises from timing differences that are the differences between taxable profits and profits as stated within the accounts. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the accounts. Deferred tax is recognised on all timing differences at the Balance Sheet date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and that are expected to apply to the reversal of the timing difference.

(h) Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. As lessee, costs under operating leases are charged to the Profit and Loss Account in equal amounts over the periods of the leases. Incentives received to enter into leases are amortised over the period to the end of the lease.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

3 Accounting policies (continued)

(i) Foreign currency translation

The accounts are presented in Sterling which is the functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account for the year.

(j) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, which include debtors, are measured at fair value which is normally the transaction price. Such assets are subsequently carried at amortised cost using the effective rate method. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

Financial assets measured at amortised cost are assessed for objective evidence of impairment at each Balance Sheet date. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Profit and Loss Account.

Fixed assets are shown at cost less any provisions for impairment.

Basic financial liabilities, which include creditors, are measured at fair value which is normally the transaction price. Such liabilities are subsequently carried at amortised cost using the effective rate method. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, being the date that the contractual obligation is discharged, cancelled or expires.

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

4 Turnover and geographical information

Turnover, profit on ordinary activities before taxation and net assets are all derived from fund management activities. Apart from £55,907 (2018 - £55,761) received from Europe and £341,878 (2018 - £185,833) received from Canada, all turnover originated in the United Kingdom.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

5 Operating profit

Operating profit is stated after charging:

	2019	2018
	£	£
Operating lease charges - buildings	254,904	254,722
Depreciation in respect of tangible fixed assets owned	88,151	95,615
Auditors' remuneration		
- Statutory audit of the Company	35,600	32,810
- Statutory audit of associated companies	54,300	52,570
- Tax compliance services	120,852	158,510
- Tax advisory services	21,764	70,950
- Other advisory services	-	45,037
- Other services pursuant to legislation	24,200	23,350
Staff costs (see note 7a)	<u>6,026,954</u>	<u>7,398,936</u>

6 Interest receivable and similar income

	2019	2018
	£	£
Bank interest receivable	<u>51,577</u>	<u>13,849</u>

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

7 Staff costs

(a) Particulars of employees (including executive directors) are as shown below:

	2019 £	2018 £
Employee costs during the year amounted to:		
Wages and salaries	5,162,569	6,325,659
Social security costs	745,657	962,319
Other pension costs	118,728	110,958
	<u>6,026,954</u>	<u>7,398,936</u>

The monthly average number of persons employed by the Company during the year was 27 (2018 - 27). 19 (2018 - 20) of these employees were involved in fund management activities and 8 (2018 - 7) in administrative roles.

(b) Directors' remuneration

	2019 £	2018 £
Directors' remuneration	2,094,746	3,378,570
Other emoluments (including pension contributions)	125,337	181,764
	<u>2,220,083</u>	<u>3,560,334</u>

Directors' remuneration includes £66,670 (2018 - £68,000) in respect of the services of directors to fellow subsidiary and related companies during the year. The Company bore these fees on behalf of the subsidiary and related companies in both the current and preceding years.

The directors' emoluments shown above include the following in respect of the highest paid director:

	2019 £	2018 £
Director's remuneration	343,750	1,629,570
Other emoluments (including pension contributions)	26,055	40,374
	<u>369,805</u>	<u>1,669,944</u>

The Chief Executive was not the highest paid director in either year.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

8 Tax on profit

(a) Tax on profit

	2019 £	2018 £
Current tax:		
- UK corporation tax	-	-
Deferred tax:		
- origination and reversal of timing differences	(4,620)	(6,598)
Total tax on profit	(4,620)	(6,598)

(b) Reconciliation of tax charge

The tax charge is based on an effective UK corporation tax rate of 19% (2018 - 19%). The current tax is the same as (2018 - the same as) the standard rate of UK corporation tax. The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before taxation	12,810,925	10,591,810
Profit multiplied by the standard rate of tax in the UK of 19% (2018 - 19%)	2,434,076	2,012,444
Effects of:		
- Expenses not deductible for tax purposes	529	24,331
- Accelerated capital allowances and other timing differences	4,620	6,598
- Group relief claimed not paid	(2,439,225)	(2,043,373)
Deferred tax - origination and reversal of timing differences	(4,620)	(6,598)
Total tax credit	(4,620)	(6,598)

There is no corporation tax charge for the current year because the Company anticipates using tax losses surrendered by fellow subsidiaries.

As part of the Finance (No. 2) Bill 2017 published on 20 March 2017 the UK government confirmed its intention to reduce the main rate of UK Corporation Tax to 17% by 2020. There were no changes to this announced within the Finance Act 2019 which received Royal Assent on 12 February 2019.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

9 Dividends

	2019 £	2018 £
1st interim paid: £80.00 per share (2018 - £4.10)	8,000,000	410,000
2nd interim paid: £27.81 per share (2018 - £80.00)	2,781,000	8,000,000
3rd interim paid: £nil per share (2018 - £3.00)	-	300,000
	<u>10,781,000</u>	<u>8,710,000</u>

10 Tangible assets

	Leasehold improvements £	Fixtures, fittings and furniture £	Computer equipment £	Total £
As at 31 March 2018				
Cost	448,948	275,086	100,639	824,673
Accumulated depreciation	(129,569)	(80,743)	(82,796)	(293,108)
Net book amount	<u>319,379</u>	<u>194,343</u>	<u>17,843</u>	<u>531,565</u>
Year ended 31 March 2019				
Opening net book amount	319,379	194,343	17,843	531,565
Additions	-	-	25,143	25,143
Disposals - cost	-	(8,431)	(10,965)	(19,396)
Disposals - accumulated depreciation	-	8,431	10,965	19,396
Depreciation charged in year	(44,565)	(27,117)	(16,469)	(88,151)
Closing net book amount	<u>274,814</u>	<u>167,226</u>	<u>26,517</u>	<u>468,557</u>
As at 31 March 2019				
Cost	448,948	266,655	114,817	830,420
Accumulated depreciation	(174,134)	(99,429)	(88,300)	(361,863)
Net book amount	<u>274,814</u>	<u>167,226</u>	<u>26,517</u>	<u>468,557</u>

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

11 Debtors

	2019 £	2018 £
Trade debtors	696,420	341,054
Amounts owed by group undertakings	5,623,199	5,575,532
Amounts owed by ultimate parent undertaking	391,539	391,540
Prepayments and accrued income	544,662	461,482
	<u>7,255,820</u>	<u>6,769,608</u>

Amounts owed by group undertakings and the ultimate parent undertaking are unsecured, non-interest bearing, have no fixed date of payment and are repayable on demand.

12 Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	61,815	50,300
Other creditors	301,577	374,761
Taxation and social security	307,656	314,260
Accruals and deferred income	999,328	1,004,206
	<u>1,670,376</u>	<u>1,743,527</u>

Amounts owed to group undertakings are unsecured, non-interest bearing, have no fixed date of payment and are repayable on demand.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

13 Provision for liabilities

	2019	2018
	£	£
Deferred taxation:		
Opening balance at 1 April	60,158	66,756
Additions dealt with in the Profit and Loss Account	-	-
Unused amounts reversed to the Profit and Loss Account	(4,620)	(6,598)
Closing balance at 31 March	<u>55,538</u>	<u>60,158</u>

Deferred tax arises due to timing differences on the written-down values of tangible fixed assets for book and taxation purposes. The deferred tax liability of £55,538 (2018 - £60,158) is calculated based on the UK corporation tax rate of 19% effective for periods beginning 1 April 2019 (2018 - 19%).

14 Called-up share capital

	2019	2018
	£	£
Allotted and fully paid		
100,000 ordinary shares of £1 each (2018 - 100,000)	<u>100,000</u>	<u>100,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends. The capital of the Company may only be altered with the prior consent of the Founder Director, David Antony Metter.

Innisfree Limited

Notes to the accounts for the year ended 31 March 2019 (continued)

15 Guarantees and other financial commitments

The Company has entered into a ten year lease on premises at Boundary House, 91/93 Charterhouse Street, London EC1M 6HR which expires on 9 June 2025. The current annual rental on the lease is £283,030 (2018 - £283,030). Under the terms of the lease a one year rent-free period was granted and this incentive will be amortised evenly over the term of the lease. The lease has been guaranteed by the Company's ultimate parent undertaking, Innisfree Group Limited.

	2019	2018
	£	£
Payments due:		
Within one year	283,030	283,030
Between one and five years	1,132,120	1,132,120
After five years	283,030	566,060
	<u>1,698,180</u>	<u>1,981,210</u>

The Company had no other off-Balance Sheet arrangements.

16 Controlling parties

The immediate and ultimate parent undertaking is Innisfree Group Limited which is the parent undertaking and the smallest and largest group to consolidate these accounts. Copies of the Innisfree Group Limited consolidated accounts are available to the public at the registered address of the Company.

The ultimate controlling party of Innisfree Group Limited is The David Antony Metter Settlement.