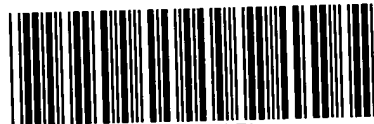


Company Registration No. 03406623 (England and Wales)

WELLINGTON PUB COMPANY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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WELLINGTON PUB COMPANY PLC

COMPANY INFORMATION

Directors	P O'Driscoll S Nahum M R Turner
Secretary	A Benjamin
Company number	03406623
Registered office	73 Cornhill London EC3V 3QQ
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ

WELLINGTON PUB COMPANY PLC

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WELLINGTON PUB COMPANY PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report for the year ended 31 March 2016.

Fair review of the business

The company continues to maintain its market position despite continuing challenges in the industry following the global economic slowdown and regulatory changes. Along with rental uplifts at rent review anniversaries and lease renewals, the addition of a number of public houses from a related company has contributed to growth in headline income.

The relevant accounting standards require the group to include all investment properties under its portfolio at open market value. The directors have undertaken an assessment of the relevant assets and believe that the investment property values included in the financial statements reflect their open market values.

Where a pub becomes vacant, an assessment is made of the site with a view to obtaining the optimum shareholder return either through the generation of rental income or capital appreciation. The company undertakes a comprehensive review including an assessment of alternative use or disposal, if deemed appropriate. There are a small number of sites in the portfolio that were considered within this framework in the year, some of which have received planning permission and others that were disposed of where an appropriate offer was received. During the year, in accordance with this strategy, pubs were disposed of generating a net profit of approximately £1,951k (2015: £337k loss). During the year, the company also considered the acquisition of a number of public house portfolios that fit with its strategic objectives and add value to the existing portfolio. At year end none had been acquired.

Development and performance

The company lets premises to customers on normal credit terms. Trade debtor balances are monitored on an ongoing basis and credit terms for all customers are regularly reviewed. In recent years, the company has experienced difficulties in collecting payment from its debtors and as a consequence a provision for doubtful debts has been made in the accounts. The directors' policy for future tenants is set out in the Commercial Risk paragraph, below.

Key performance indicators

The company operates in a competitive market and there is a continuing risk that the company could lose its tenants due to another economic downturn, however, the company is not reliant on any single customer. In order to manage its credit risk, the covenant strength of potential tenants is assessed on a case by case basis and, as a standard policy, security is obtained in the form of a rental deposit or a guarantee. Existing tenants are reviewed on a regular basis to monitor payment and trading patterns.

Other performance indicators

Surplus funds are held in short-term, interest bearing deposit accounts with major banks. The company has not entered into any derivative transactions, such as interest rate swaps, in relation to any funds on deposit or borrowings.

The company has long-term financing in place in the form of its bonds (see note 13) and as such, the financing risks faced by the company are minimal.

On behalf of the board



P O'Driscoll

Director

14 November 2016

WELLINGTON PUB COMPANY PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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

Principal activities

The principal activity of the company continued to be that of managing leased properties.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P O'Driscoll
S Nahum
M R Turner

Results and dividends

The results for the year are set out on page 6.

An interim ordinary dividend was paid amounting to £5.683 million (2015: £5.339 million). The directors do not recommend payment of a final dividend.

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

WELLINGTON PUB COMPANY PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2016.

On behalf of the board



P O'Driscoll

Director

14 November 2016

WELLINGTON PUB COMPANY PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WELLINGTON PUB COMPANY PLC

We have audited the financial statements of Wellington Pub Company PLC for the year ended 31 March 2016 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

WELLINGTON PUB COMPANY PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WELLINGTON PUB COMPANY PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

14 November 2016

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

WELLINGTON PUB COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Turnover	3	28,362	26,860
Administrative expenses		(3,489)	(8,057)
Other operating income		71	185
Operating profit	4	24,944	18,988
Interest receivable and similar income	5	122	215
Interest payable and similar charges	6	(9,668)	(10,159)
Profit before taxation		15,398	9,044
Taxation	7	3,259	7,287
Profit for the financial year		18,657	16,331
Other comprehensive income		-	-
Total comprehensive income for the year		18,657	16,331

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WELLINGTON PUB COMPANY PLC

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investment properties	9	459,380	466,492
Current assets			
Debtors	11	7,708	7,119
Cash at bank and in hand		32,596	22,690
		40,304	29,809
Creditors: amounts falling due within one year	12	(20,726)	(19,583)
Net current assets		19,578	10,226
Total assets less current liabilities		478,958	476,718
Creditors: amounts falling due after more than one year	14	(127,122)	(134,597)
Provisions for liabilities	16	(22,827)	(26,086)
Net assets		329,009	316,035
Capital and reserves			
Called up share capital	17	13	13
Profit and loss reserves		328,996	316,022
Total equity		329,009	316,035

The financial statements were approved by the board of directors and authorised for issue on 14 November 2016 and are signed on its behalf by:



P O'Driscoll
Director

Company Registration No. 03406623

WELLINGTON PUB COMPANY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2014		13	305,030	305,043
Year ended 31 March 2015:				
Profit and total comprehensive income for the year		-	16,331	16,331
Dividends	8	-	(5,339)	(5,339)
Balance at 31 March 2015		13	316,022	316,035
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	18,657	18,657
Dividends	8	-	(5,683)	(5,683)
Balance at 31 March 2016		13	328,996	329,009

WELLINGTON PUB COMPANY PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	20	23,324	19,890
Interest paid		(9,668)	(10,159)
Income taxes (paid)/refunded		-	1,008
Net cash inflow from operating activities		13,656	10,739
Investing activities			
Purchase of investment property		(421)	(17,207)
Proceeds on disposal of investment property		9,484	6,825
Interest received		122	215
Net cash generated from/(used in) investing activities		9,185	(10,167)
Financing activities			
Repayment of debentures		(7,252)	(6,915)
Dividends paid		(5,683)	(5,339)
Net cash used in financing activities		(12,935)	(12,254)
Net increase/(decrease) in cash and cash equivalents		9,906	(11,682)
Cash and cash equivalents at beginning of year		22,690	34,372
Cash and cash equivalents at end of year		32,596	22,690

WELLINGTON PUB COMPANY PLC

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

1 Accounting policies

Company information

Wellington Pub Company PLC is a company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

These financial statements for the year ended 31 March 2016 are the first financial statements of Wellington Pub Company PLC prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.2 Going concern

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

1.3 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover relates to one continuing activity, leasing of public houses to independent publicans. All of the company's business is performed in the United Kingdom.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.10 Repairs and maintenance

Expenditure on repairs and maintenance is charged to profit and loss on the basis of actual costs incurred.

1.11 Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments, other than equity shares, is allocated to periods over the term of the instruments at a constant rate on the carrying amount.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

The Company generates its turnover from its principal activity, the managing of leased properties, within the United Kingdom.

	2016 £'000	2015 £'000
Turnover		
Rental income	28,362	26,860
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	122	215
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2016 £'000	2015 £'000
United Kingdom	28,362	26,860
	<u> </u>	<u> </u>

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

4 Operating profit

	2016 £'000	2015 £'000
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	55	54
(Profit)/loss on disposal of investment property	(1,951)	337
Operating lease charges	85	107
	<u> </u>	<u> </u>

5 Interest receivable and similar income

	2016 £'000	2015 £'000
Interest income		
Interest on bank deposits	122	215
	<u> </u>	<u> </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	122	215
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2016 £'000	2015 £'000
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	9,668	10,159
	<u> </u>	<u> </u>

7 Taxation

	2016 £'000	2015 £'000
Current tax		
Adjustments in respect of prior periods	-	(1,534)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(657)	(5,753)
Changes in tax rates	(2,602)	-
	<u> </u>	<u> </u>
Total deferred tax	(3,259)	(5,753)
	<u> </u>	<u> </u>
Total tax charge	(3,259)	(7,287)
	<u> </u>	<u> </u>

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

7 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £'000	2015 £'000
Profit before taxation	15,398	9,044
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	3,080	1,899
Tax effect of expenses that are not deductible in determining taxable profit	34	-
(Profit)/loss on disposal of investment properties	(391)	71
Effect of change in corporation tax rate	(2,602)	-
Group relief	(3,495)	(2,245)
Effect of revaluations of investments	(719)	-
Adjustments to previous periods	-	(1,534)
Deferred tax adjustments in respect of prior years	-	(2,231)
Chargeable gains	834	350
Transition adjustments	-	(3,597)
Tax expense for the year	(3,259)	(7,287)

8 Dividends

	2016 £'000	2015 £'000
Interim paid	5,683	5,339

9 Investment property

	2016 £'000
Fair value	
At 1 April 2015	466,492
Additions through acquisition	421
Disposals	(7,533)
At 31 March 2016	459,380

The directors have reviewed the investment properties held and consider their value at 31 March 2016 to reflect the open market value. This decision is made based on their experience of the property market and with reference to formal advice from suitably qualified Chartered Surveyors, and market evidence of transaction prices of similar properties.

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Financial instruments

	2016 £'000	2015 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,051	6,739
Carrying amount of financial liabilities		
Measured at amortised cost	139,126	145,976

11 Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade debtors	4,428	3,775
Amounts due from fellow group undertakings	961	961
Other debtors	1,662	2,003
Prepayments and accrued income	657	380
	7,708	7,119

12 Creditors: amounts falling due within one year

	Notes	2016 £'000	2015 £'000
Debenture loans	13	7,611	7,252
Trade creditors		1,685	1,772
Amounts due to group undertakings		387	360
Other taxation and social security		1,030	838
Other creditors		2,321	1,995
Accruals and deferred income		7,692	7,366
		20,726	19,583

13 Loans and overdrafts

	2016 £'000	2015 £'000
Class A secured fixed rate bonds at 6.735% repayable January 2029	111,536	116,748
Class B secured fixed rate bonds at 7.335% repayable January 2029	26,520	28,560
Less: Unamortised issue cost	(3,323)	(3,459)
	134,733	141,849
Payable within one year	7,611	7,252
Payable after one year	127,122	134,597

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Loans and overdrafts

(Continued)

As security for the payment of all monies due and payable in respect of the Bonds under the trust deed, Wellington Pub Company Plc (the issuer) has entered into a Deed of Charge creating inter alia the following security:

A first fixed charge by way of a mortgage of all estates and other interests of the issuer;

An assignment by way of fixed security of the issuer's right, title, interest and benefit in and to the rental income;

An assignment by way of fixed security of the issuer's right, title, interest and benefit in and to the Assigned Documents;

An assignment by way of first fixed security of the issuer's right, title, interest and benefit in and to all amounts from time to time standing to the credit of the Bank Accounts;

A first floating charge over all the property, assets and undertakings of the issuer.

On 2 March 1998 the company performed a bond issue for £231 million. The issue costs are being amortised over the life of the bonds at a constant rate on the carrying amount.

Interest and principal payments on the Class B bonds will be subordinated to such payments on the Class A bonds, so that Class B Bondholders will not be entitled to receive any payment of interest or principal, unless and until, all amounts of interest due or overdue and principal then due to Class A Bondholders have been paid in full.

During the year, the company repaid £5,212,000 (2015: £4,875,000) of the Class A secured fixed rate bonds and £2,040,000 (2015: £2,040,000) of the Class B secured fixed rate bonds.

14 Creditors: amounts falling due after more than one year

	Notes	2016 £'000	2015 £'000
Debenture loans	13	130,445	138,056
Unamortised issue costs	13	(3,323)	(3,459)
		<u>127,122</u>	<u>134,597</u>

15 Provisions for liabilities

		2016 £'000	2015 £'000
Deferred tax liabilities	16	22,827	26,086
		<u>22,827</u>	<u>26,086</u>

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £'000	Liabilities 2015 £'000
Balances:		
Accelerated capital allowances	7,423	8,186
Investment property	15,404	17,900
	<u>22,827</u>	<u>26,086</u>

17 Share capital

	2016 £'000	2015 £'000
Ordinary share capital		
Issued and partially paid		
100,000 ordinary shares of 50p each	<u>13</u>	<u>13</u>

18 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in FRS 102 section 33.1A "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

During the year the company was charged management fees, of £120,000, by Motcomb Estates Limited, a company under common control.

During the year the company sold a property to Brookset 14 Limited, a company under common control, for sales proceeds of £250,000, being the market value.

19 Controlling party

The company's immediate parent undertaking is Wellington Investments Limited, a company incorporated in the UK. The ultimate UK holding company is Investors in Private Capital Limited. Group accounts are prepared by the ultimate UK holding company and copies can be obtained from Companies House.

The ultimate controlling party is Omaha Business Holdings Corp, a company registered in the British Virgin Islands.

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

20 Cash generated from operations

	2016 £'000	2015 £'000
Profit for the year after tax	18,657	16,331
Adjustments for:		
Taxation credited	(3,259)	(7,287)
Finance costs	9,668	10,159
Investment income	(122)	(215)
(Gain)/loss on disposal of investment property	(1,951)	337
Amortisation of loan issue costs	136	133
Movements in working capital:		
(Increase) in debtors	(589)	(118)
Increase in creditors	784	550
Cash generated from operations	23,324	19,890

21 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 April 2014			At 31 March 2015		
		Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Fixed assets							
Investment properties (ii), (iv)		456,120	327	456,447	466,153	339	466,492
Current assets							
Debtors		7,001	-	7,001	7,119	-	7,119
Bank and cash		34,775	-	34,775	22,690	-	22,690
		41,776	-	41,776	29,809	-	29,809
Creditors due within one year							
Loans and overdrafts		(7,318)	-	(7,318)	(7,252)	-	(7,252)
Taxation		(1,214)	-	(1,214)	(838)	-	(838)
Other creditors		(11,093)	-	(11,093)	(11,493)	-	(11,493)
		(19,625)	-	(19,625)	(19,583)	-	(19,583)
Net current assets		22,151	-	22,151	10,226	-	10,226
Total assets less current liabilities		478,271	327	478,598	476,379	339	476,718

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

21 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Creditors due after one year						
Loans and overdrafts	(141,716)	-	(141,716)	(134,597)	-	(134,597)
Provisions for liabilities						
Deferred tax (iii)	(10,339)	(21,500)	(31,839)	(8,186)	(17,900)	(26,086)
Net assets	326,216	(21,173)	305,043	333,596	(17,561)	316,035
Capital and reserves						
Share capital	13	-	13	13	-	13
Revaluation reserve (i)	226,012	(226,012)	-	222,472	(222,472)	-
Profit and loss	100,191	204,839	305,030	111,111	204,911	316,022
Total equity	326,216	(21,173)	305,043	333,596	(17,561)	316,035

Reconciliation of profit or loss for the year

Notes	Year ended 31 March 2015		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Turnover	26,860	-	26,860
Administrative expenses (ii)	(8,069)	12	(8,057)
Other operating income	185	-	185
Operating profit	18,976	12	18,988
Interest receivable and similar income	215	-	215
Interest payable and similar charges	(10,159)	-	(10,159)
Profit before taxation	9,032	12	9,044
Taxation (iii)	3,687	3,600	7,287
Profit for the financial period	12,719	3,612	16,331

WELLINGTON PUB COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

21 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

(i) Investment property revaluation

Under previous UK GAAP the company held credit balances in respect of revalued investment properties in a separate revaluation reserve. On transition to FRS102, changes in the fair value of investment properties are reflected in the statement of comprehensive income and cumulative amounts in respect of revaluations are held in the profit and loss reserve.

(ii) Leasehold investment properties

Under previous UK GAAP, the company's policy was to depreciate leasehold investment properties where the remaining lease term was less than 20 years. Under new UK GAAP, where the value of the company's interest in such properties can be measured reliably, these properties are held at fair value. Accordingly, on transition, the depreciation that had previously been provided for on these properties was reversed and the properties were restated to their fair value.

(iii) Deferred tax

Under previous UK GAAP, the company was not required to provide for deferred taxation on the re-valued element of investment property fair values. Under FRS 102, deferred taxation is provided on the temporary timing difference arising from the revaluation. A deferred tax liability of £21,500,000 arose on transition to FRS102 in this regard. In the year ended 31 March 2015 the liability reduced resulting in a deferred tax credit of £3,600,000.