REGISTERED NUMBER: 03406623

# ANNUAL REPORT AND

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

# FOR

# WELLINGTON PUB COMPANY PLC

# CONTENTS OF THE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 MARCH 2021

## COMPANY INFORMATION
## FOR THE YEAR ENDED 31 MARCH 2021

| | |
|---|---|
| **Directors:** | S A J Nahum<br>M R Turner<br>E M Sawyer |
| **Registered office:** | 73 Cornhill<br>London<br>EC3V 3QQ |
| **Registered number:** | 03406623 |
| **Auditors:** | Gerald Edelman<br>73 Cornhill<br>London<br>EC3V 3QQ |

# STRATEGIC REPORT
# FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

**Review of business**
During the year under review the company has faced challenges brought about by the global economic slowdown caused by the Covid-19 pandemic and regulatory changes.

The company's revenue is derived from the management of leased properties, which are predominantly public houses. The shutdown of the hospitality sector throughout the United Kingdom during the financial year has resulted in a decline in revenues of £10m to £19.8m (2020: £29.8m). The decrease is due to the various support packages that Wellington Pub Company Plc has offered its tenants.

The results for the year are shown in the Income Statement on page 12. Operating profit for the period was £13m (2020: £30.2m). Profit before tax was £4.1m (2020: £19.8m). The financial position of Wellington Pub Company Plc is set out in the Statement of Financial Position on page 14. Net decrease in cash of £12.2m (2020: £4.8m) was a result of the UK Government enforced lockdowns.

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 loss of approximately £2.2m (2020: £3.8m loss).

**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. As a result of the Covid-19 pandemic a further provision has been made whilst the company assesses the full impact on its portfolio.

**Promoting success of the company**
The directors have continued to invest in the developments of their property portfolio to ensure they continue to bring in revenue, within the year additions to investment property totalled £15.5m (2020: £7.4m). 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.

To maintain business relationships with customers the company lets its premises to customers on normal credit terms and during the year where customers had difficulties paying debts following the Covid 19 pandemic, the company offered various support packages to its tenants in the year to assist during the shutdown of the hospitality sector.

The company's operations continue to qualify as low energy, as disclosed in the energy and carbon report, minimising its impact on the environment.

The company endeavours to maintain a high standard of operations and business conduct and will continue to act fairly between members of the company.

**Key performance indicators**
The company sees the capital appreciation of its investment properties and rental income as their key performance indicators (KPIs). These KPIs allow the company to monitor the performance of its financial model as well as its wider responsibilities to its shareholders. For the year ended 31 March 2021, investment properties were valued at £509.6m (2020: £499.6m restated) and the rental income was £19m, which is £10m less than last year (2020: £29.8m). The reduction in revenue is due to various support packages that Wellington Pub Company Plc offered its tenants in the year to assist during the shutdown of the hospitality sector during the Covid-19 pandemic.

The company reviews its trade debt position on a weekly and monthly basis to effectively manage the credit risk and have installed a number of debt collection metrics. For the year ended 31 March 2021, trade debt was £9.5m which is £6.5m higher than last year (2020: £3m). The increase in debt is due to the national lockdowns and trading restrictions the hospitality industry has encountered in which the company has increased its bad debt provisions for any doubtful debts as at 31 March 2021.

The company uses rental yield as a measurement to indicate the rate of return from the investment portfolio. Rental yield is based on consolidated rental income expressed as a percentage over the investment property values as disclosed in the financial statements. The rental yield of 3.9% for the year has decreased by 1.4% (2020: 6% restated) due to the reduced rental income achieved within the period and the revaluation gain of £2.1m recognised within the current year.

**Financial risks and associated risk management objectives and policies**
The financial risk management within the company is governed by policies set by the board of directors and senior management. These policies cover interest rate risk and other areas, such as cash management.

Credit risk
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 guarantee. Existing tenants are reviewed on a regular basis to monitor payment and trading patterns.

Interest rate risk
The company's long term debt is priced at a fixed rate which enables the company to know what interest amounts are payable with no risk attributable to changes in base rates. The company regularly reviews detailed financial forecasts to ensure that there is sufficient cash available to meet its quarterly interest and principal repayments.

Foreign exchange risk
The company is not exposed to foreign exchange risk as all of its income is derived from activities undertaken in the UK and all of its trade and other suppliers invoice in sterling.

**Covid-19 impact on the company**
In light of the Covid-19 pandemic throughout United Kingdom and the rest of the world, and the likely expected level of economic disruption that it will cause, the directors have considered the impact this will have on the company's future prospects.

The company's revenue is derived from the management of leased properties, which are predominantly public houses. The shutdown of the hospitality sector throughout the United Kingdom for the period from March to July 2020 and November 2020 to June 2021 is likely to have a significant impact on the company's performance going forward. The company has also offered support to its tenants, resulting in a decrease in overall revenue compared to prior years.

At close of the financial year, the company held significant cash which amounted to £11.74m and a strong net asset position. As the crisis continues to develop through 2021/2022, the directors will continue to monitor the situation and continue to coordinate its operational response based on existing business continuity plans, in addition to guidance from global health organisations, the government and general pandemic response to best practice.

**On behalf of the board:**

Sawyer
........................................................................
E M Sawyer - Director

Date: 4/10/2021

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**Principal activity**
The principal activity of the company in the year under review was that of managing leased properties

**Dividends**
An interim ordinary dividend was paid amounting to £6k (2020: £3.9m). The directors do not recommend a payment of a final dividend.

**Directors**
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

S A J Nahum
M R Turner
E M Sawyer

**Energy and carbon report**
As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

**Creditor payment policy**
The company has a standard code and also agrees specific individual terms with certain suppliers. Payment is normally made in accordance with those terms, subject to suppliers' own performance.

**Statement as to disclosure of information to auditors**
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Going concern**
The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate for the following reasons:

Having reviewed the company's financial forecasts and expected future cash flows, and with the continued support from the company's parent undertaking, Investors in Private Capital Limited, the directors have a reasonable expectation that the company has adequate resources available to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements.

The directors are monitoring developments relating to coronavirus regularly and are coordinating its operational response, as set out in the paragraph entitled 'Risk of the Covid-19 pandemic on the company' in the Strategic Report, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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

**On behalf of the board:**

Sawyer
........................................................................
E M Sawyer - Director

Date: 4/10/2021

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for the 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 them apply then 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.

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

**Opinion**
We have audited the financial statements of Wellington Pub Company PLC (the 'company') for the year ended 31 March 2021 which comprise the income statement, other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, notes to the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**In our opinion the financial statements:**
- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Basis of calculation of materiality**
Materiality has been calculated at 1.25% of turnover, with a section specific materiality for investment property of 1.5% of investment property portfolio value. The reason for calculating materiality on the parameter of turnover is that whilst the company is primarily asset based with significant investment properties, turnover is based on investment properties being rented, by basing materiality on gross assets, due to their large valuation, it may result in insufficient testing being completed in other areas. Therefore, materiality has been set based on turnover for all sections except for Investment property which has a section specific as the company's primary focus is on the capital appreciation of its investment properties. We have used lower percentages to calculate materiality due to external stake-holder interest as its bonds are listed on London Stock Exchange. Therefore, to follow a risk based approach and considering the various other risk factors we have considered the materiality level as appropriate.

**Key audit matters**
Key audit matters are those matters that, in the auditor's professional judgment, were of most significant in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which have the greatest effect on: the overall audit strategy, the allocation of resources for the audit and directing the efforts of the engagement team. These matters were addressed in the context of the audit of the financial statements and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

**Valuation, ownership & existence of the investment properties**

**Risk**
The company has a significant investment property portfolio which mainly comprises of pubs which are held to earn rentals or achieve capital appreciation and are carried in the financial statements at fair value as at the reporting date. The investment properties formed the most significant part of the Financial Statements. The valuation is carried out by the directors, which is based on their experience of the property market and with reference to formal advice obtained from Chartered Surveyors. There are audit risks associated with the existence, ownership and valuation of the investment properties. The valuation of the properties is one of the key judgemental areas of the audit.

**Our response**
We have assessed this risk by performing the following audit procedures;

- To confirm the ownership, we have checked on a sample basis the title deeds from the UK Land Registry to ensure that the properties are owned by the company.
- To confirm the existence, we have performed a search on the internet to ensure that pubs are actively operating.
- To ensure that the valuation is reasonable, we appointed an external auditor's expert who are RICS qualified and have significant experience in the leisure and hospitality property market to review and recalculate on a sample basis the valuations of property and compare these to the valuations carried out by the directors.
- The use of an audit expert does not reduce our responsibility for the opinion on valuations and we therefore audited the report which was produced by the experts by assessing the expert's competence and the inputs used to calculate the valuation. Our review provided satisfactory evidence that valuations of portfolio are in line with expectations, which gives assurance that investment properties are not materially misstated at the reporting date.

**Completeness of debts**

**Risk**
The company has bonds listed on the London Stock Exchange. The risk is that the debt and associated interest on the bonds are materially misstated in the financial statements.

**Our response**
We have assessed this risk by performing the following audit procedures;

- Third party confirmation obtained to confirm the value of the bonds at the reporting date.
- Recalculated the bond interest to ensure the amount recognised is not materially misstated.

**Covid-19 impact on the company's going concern**

**Risk**
The company's revenue is derived from the management of leased properties, which are predominantly public houses. Due to the impact of Covid-19 pandemic on the hospitality industry there is significant risk that the company will be unable to continue to earn the level of rentals previously generated from the management of these properties. There continues to be significant uncertainty surrounding nationwide and local restrictions which may be imposed on this industry throughout 2021/2022.

**Our responses**
We have assessed the risks by performing the following work;

- Reviewed the cash forecast for the next 12 months from the date of signing of the audit report and the expected impact on the cash flow and turnover.
- Performed sensitivity analysis on the cash collections from tenants and provision for potential bad debts.
- Review of the impact of pubs closure and rent incentives on the cash projections over the next 12 months.
- Review of management considerations undertaken to mitigate the impact of Covid-19 on the company financial performance.
- Performed sensitivity analysis on client's cash flow forecasts.
- Reviewed the availability of the support from the parent and fellow subsidiary

**Management Override of Controls**

**Risk**
There is a risk that management could override of controls, which is a fraud risk.

**Our Reponses**
We have assessed the risks by performing the following work;

- Reviewed large and unusual bank transactions made and determined if transactions were in line with our understanding of the business
- Performed testing on journals to gain assurance were in line with our understanding of the business
- Reviewed significant accounting estimates in the accounts

**Recoverability of Trade Debtors**

**Risk**
The company's revenue is derived from the management of leased properties, which are predominantly public houses. Due to the coronavirus outbreak ongoing from March 2020 and the enforced closure of all pubs by the government public houses have struggled with cash flow which gives rise to risk over the recoverability of trade debtors at the year end.

**Our Reponses**
We have assessed the risks by performing the following work;

- We have reviewed trade debtors at year end on a global basis, by obtaining the position of these debtor balances at various dates following the year end to assess how much has been recovered.
- We have discussed the recoverability of significant debtors which remain outstanding to date of signing and are not provided for

**Revenue Recognition**

**Risk**
The company derives its revenue from the management of leased properties, there are audit risks associated with the completeness, occurrence and cut off of revenue in the year.

**Our Reponses**
We have assessed this risk by performing the following audit procedures;

- To test completeness, we selected properties on a sample basis from the client provided investment property schedule and obtained all lease documentation to recalculate amounts to compare to accounts and investigated any differences.
- To test occurrence, we selected properties on a sample basis from the schedule of rental income in the accounts and obtained all lease documentation to recalculate amounts to compare to accounts and investigated any differences.
- As we have recalculated the amount that should be included in the current year, and compared to amounts included in the accounts, we have assurance over the cut off of the revenue.

We have also considered the adequacy of the related disclosures in the company's financial statement.

**Conclusions relating to going concern**
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

**Responsibilities of directors**
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**Auditor's responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

The extent to which the audit was considered capable of detecting irregularities including fraud
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals, possibility of reduced rent being given to relatives of staff and management
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, Landlord and Tenant Act and, Health and Safety.

**Audit response to risks identified**

**Fraud due to management override**
To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness.
- Investigated the rationale behind significant or unusual transactions.

**Irregularities and non-compliance with laws and regulations**
In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing minutes of meetings of those charged with governance.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of our report**

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.

Asgher Sultan FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

73 Cornhill
London
EC3V 3QQ

Date: 4/10/2021

# INCOME STATEMENT
# FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021<br>£'000 | 2020<br>as restated<br>£'000 |
|---|---|---|---|
| **Turnover** | 2 | 19,775 | 29,858 |
| Administrative expenses | | (9,091) | (8,588) |
| | | 10,684 | 21,270 |
| Other operating income | | 319 | 70 |
| Gain on revaluation of investment property | | 2,133 | 8,916 |
| **Operating profit** | 4 | 13,136 | 30,256 |
| Loss on sale of investment property | 5 | (2,225) | (3,825) |
| | | 10,911 | 26,431 |
| Interest receivable and similar income | 6 | 13 | 104 |
| | | 10,924 | 26,535 |
| Interest payable and similar expenses | 7 | (6,842) | (7,475) |
| **Profit before taxation** | | 4,082 | 19,060 |
| Tax on profit | 8 | (2,599) | (6,070) |
| **Profit for the financial year** | | 1,483 | 12,990 |

# OTHER COMPREHENSIVE INCOME
# FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021<br>£'000 | 2020<br>as restated<br>£'000 |
|---|---|---|---|
| **Profit for the year** | | 1,483 | 12,990 |
| **Other comprehensive income** | | - | - |
| **Total comprehensive income for the year** | | 1,483 | 12,990 |

## STATEMENT OF FINANCIAL POSITION
## 31 MARCH 2021

| | Notes | 2021 £'000 | 2021 £'000 | 2020 as restated £'000 | 2020 as restated £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investment properties | 10 | | 509,657 | | 499,635 |
| **Current assets** | | | | | |
| Debtors | 12 | 10,894 | | 5,291 | |
| Cash at bank | | 11,745 | | 23,916 | |
| | | 22,639 | | 29,207 | |
| **Creditors** | | | | | |
| Amounts falling due within one year | 13 | (32,855) | | (23,138) | |
| **Net current (liabilities)/assets** | | | (10,216) | | 6,069 |
| **Total assets less current liabilities** | | | 499,441 | | 505,704 |
| **Creditors** | | | | | |
| Amounts falling due after more than one year | 14 | | (85,217) | | (94,956) |
| **Provisions for liabilities** | 17 | | (31,719) | | (29,720) |
| **Net assets** | | | 382,505 | | 381,028 |
| **Capital and reserves** | | | | | |
| Called up share capital | 18 | | 13 | | 13 |
| Retained earnings | | | 382,492 | | 381,015 |
| **Shareholders' funds** | | | 382,505 | | 381,028 |

The financial statements were approved by the Board of Directors and authorised for issue on 4/10/2021 and were signed on its behalf by:

Sawyer

E M Sawyer - Director

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Called up share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|
| **Balance at 1 April 2019** | | 13 | 330,586 | 330,599 |
| Prior year adjustment | 21 | - | 41,394 | 41,394 |
| As restated | | 13 | 371,980 | 371,993 |
| **Changes in equity** | | | | |
| Dividends | | - | (3,955) | (3,955) |
| Total comprehensive income | | - | 5,634 | 5,634 |
| **Balance at 31 March 2020** | | 13 | 373,659 | 373,672 |
| Prior year adjustment | 21 | - | 7,356 | 7,356 |
| As restated | | 13 | 381,015 | 381,028 |
| **Changes in equity** | | | | |
| Dividends | | - | (6) | (6) |
| Total comprehensive income | | - | 1,483 | 1,483 |
| **Balance at 31 March 2021** | | 13 | 382,492 | 382,505 |

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £'000 | 2020 as restated £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 14,014 | 20,581 |
| Interest paid | | (6,842) | (7,475) |
| Tax paid | | - | (3,316) |
| Net cash from operating activities | | 7,172 | 9,790 |
| **Cash flows from investing activities** | | | |
| Purchase of investment properties | | (15,540) | (7,398) |
| Proceeds on the disposal of investment properties | | 5,426 | 5,367 |
| Interest received | | 13 | 104 |
| Net cash from investing activities | | (10,101) | (1,927) |
| **Cash flows from financing activities** | | | |
| Repayment in debentures | | (9,317) | (8,847) |
| Loan repayments in year | | 81 | 134 |
| Dividends paid | | (6) | (3,955) |
| Net cash from financing activities | | (9,242) | (12,668) |
| **Decrease in cash and cash equivalents** | | (12,171) | (4,805) |
| **Cash and cash equivalents at beginning of year** | 2 | 23,916 | 28,721 |
| **Cash and cash equivalents at end of year** | 2 | 11,745 | 23,916 |

## NOTES TO THE STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2021

1. **Reconciliation of profit before taxation to cash generated from operations**

| | 2021 | 2020 as restated |
|---|---|---|
| | £'000 | £'000 |
| Profit before taxation | 4,082 | 19,060 |
| Gain on revaluation of investment properties | (2,133) | (8,916) |
| Loss on sale of investment properties | 2,225 | 3,825 |
| Finance costs | 6,842 | 7,475 |
| Finance income | (13) | (104) |
| | 11,003 | 21,340 |
| Increase in trade and other debtors | (5,603) | (666) |
| Increase/(decrease) in trade and other creditors | 9,214 | (93) |
| **Non cash movement in debenture** | (600) | |
| **Cash generated from operations** | 14,014 | 20,581 |

2. **Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2021**

| | 31/3/2021 | 1/4/2020 |
|---|---|---|
| | £'000 | £'000 |
| Cash and cash equivalents | 11,745 | 23,916 |

**Year ended 31 March 2020**

| | 31/3/2020 | 1/4/2019 |
|---|---|---|
| | £'000 | £'000 |
| Cash and cash equivalents | 23,916 | 28,721 |

1. **Accounting policies**

**Basis of preparing the financial statements**

**Company information**

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

**1.1 Accounting convention**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including "The Financial Standards applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

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.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The principal accounting policies adopted are set out below.

**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 rent charged to third parties. Turnover relates to one continuing activity, leasing of public houses to independent publicans. The turnover is recognised in the period to which it relates. 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 statement of comprehensive income.

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 the 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 at bank and in hand are basic financial assets and 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.

**1.6 Financial instruments**

The company has elected 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 balance sheet 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 financial 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 receivables 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 publicly 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 is 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 assets original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

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 the statement of comprehensive income.

**Derecognition of financial assets**
Financial assets are recognised only when the contractual rights of the cash flows from the asset expire or are settled, or when the company transfers the financial asset and subsequently 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.

**Basic financial liabilities**
Basic financial liabilities, including creditors, debentures and loans from fellow group companies 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 payments 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 designed 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 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 subsequently 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.

**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 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.

**1.12 Significant judgements and estimates**
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.

**1.13 *Critical judgements***
The following judgements have had the most significant effect on amounts recognised in the financial statements.

**Investments properties**
The company's investment properties which are properties held to earn rentals and/or capital appreciation are measured using the fair value model and stated at their fair values as at the reporting date. The directors have used 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, have assessed and appropriate value at the year end.

**Bad debt provision**
The directors have considered the bad debt provision by considering the financial situation of each tenant in each property. The directors make decisions on a case by case basis in assessing individual debtor recoverability.

**1.14 Key management personnel**
The directors consider, in relation to the requirements to disclose the remuneration of key management personnel, that key management comprise the Board of Directors. No remuneration was paid to any directors during the year.

## 2. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business for the year ended 31 March 2021 is given below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Rental income | 19,775 | 29,858 |

An analysis of turnover by geographical market is given below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| United Kingdom | 19,775 | 29,858 |

## 3. Employees and directors

There were no staff costs for the year ended 31 March 2021 nor for the year ended 31 March 2020.
There were 3 employees in the year including directors.

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | - | - |

## 4. Operating profit

The operating profit is stated after charging:

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| Operating lease charges | 112 | 113 |
| Auditors' remuneration | 45 | 45 |

## 5. Profit/(loss) on sale of investment property

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| Loss on sale of investment property | (2,225) | (3,825) |

## 6. Interest receivable and similar income

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| Interest on bank deposits | 11 | 47 |
| Other interest receivable | 2 | 57 |
| | 13 | 104 |

## 7. Interest payable and similar expenses

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| Liabilities measured at amortised cost | 6,842 | 7,475 |

## 8. Taxation

**Analysis of the tax charge**
The tax charge on the profit for the year was as follows:

| | 2021 £'000 | 2020 as restated £'000 |
|---|---|---|
| Current tax: | | |
| UK corporation tax | 599 | 3,316 |
| Deferred tax | 2,000 | 2,754 |
| Tax on profit | 2,599 | 6,070 |

UK corporation tax has been charged at 19%.

8. **Taxation - continued**

**Reconciliation of total tax charge included in profit and loss**
The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

| | 2021<br>£'000 | 2020<br>as restated<br>£'000 |
|---|---|---|
| Profit before tax | 3,983 | 19,060 |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 757 | 3,621 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 424 | 478 |
| (Loss)/profit on disposal of investment properties | - | (141) |
| Effect of change in corporation tax rate | - | 2,246 |
| Revaluation of investment properties | (405) | (134) |
| Group relief not paid for | 841 | |
| Other Deferred Tax movements | 982 | |
| Total tax charge | 2,599 | 6,070 |

9. **Dividends**

| | 2021<br>£'000 | 2020<br>£'000 |
|---|---|---|
| Interim paid | 6 | 3,955 |

## 10. Investment properties

| | Total £'000 as restated |
|---|---|
| **Fair value** | |
| At 1 April 2020 (as restated) | 499,635 |
| Additions | 15,540 |
| Disposals | (7,651) |
| Revaluations | 2,133 |
| At 31 March 2021 | 509,657 |
| **Net book value** | |
| At 31 March 2021 | 509,657 |
| At 31 March 2020 | 499,635 |

During the year, investment properties were valued by the director, M R Turner who is RICS qualified chartered surveyor. The directors have used their experience of the property market with reference to market evidence of the transaction prices of similar properties and rental yields for each property.

**Prior year adjustment**
A prior year adjustment was required to incorporate a recent revaluation of the investment property portfolio and resulted in a change in value of investment properties by £51m as at 31 March 2019 from its last portfolio revaluation, and £9m as at 31 March 2020.

## 11. Financial instruments

| | 2021 £'000 as restated | 2020 £'000 |
|---|---|---|
| **Carrying amount of financial assets** | | |
| Debt instruments measured at amortised cost | 10,500 | 5,099 |
| **Carrying amount of financial liabilities** | | |
| Measured at amortised cost | 108,176 | 110,156 |

## 12. Debtors: amounts falling due within one year

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| Trade debtors | 9,520 | 3,026 |
| Amounts owed by group undertakings | 480 | 480 |
| Other debtors | 500 | 1,593 |
| Prepayments and accrued income | 394 | 192 |
| | 10,894 | 5,291 |

Trade debtors disclosed above are measured at amortised cost.

Included within Trade debtors above are provision for bad debts amounting to £9.5m (2020: £4.2m).

## 13. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| Debentures (see note 15) | 9,820 | 9,317 |
| Trade creditors | 1,018 | 1,735 |
| Amounts owed to group undertakings | 9,087 | 860 |
| Amounts owed to participating interests | - | 1 |
| Corporation Tax | 667 | 68 |
| Social security and other taxes | 1,447 | 1,019 |
| Other creditors | 3,034 | 3,287 |
| Accruals and deferred income | 7,782 | 6,851 |
| | 32,855 | 23,138 |

## 14. Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| Debenture loans (see note 15) | 86,057 | 95,877 |
| Unamortised issue costs | (840) | (921) |
| | 85,217 | 94,956 |

## 15. Loans and overdrafts

An analysis of the maturity of loans and overdrafts is given below:

| | 2021 | 2020 as restated |
|---|---|---|
| | £'000 | £'000 |
| Amounts falling due within one year or on demand: | | |
| Debenture loans | 9,820 | 9,317 |

Amounts falling due in more than five years:

Repayable by instalments

| | 2021 | 2020 |
|---|---|---|
| Class A secured fixed rate bonds repayable January 2029 | 71,777 | 79,557 |
| Class B secured fixed rate bonds repayable January 2029 | 14,280 | 16,320 |
| Issue costs | (840) | (921) |
| | 85,217 | 94,956 |

## 15. 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 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.

On 1 July 2016, the company bought the Class 'A' bonds from Investors in Private Capital Limited, the ultimate UK holding company, at an amortised cost of £9.98m.

During the year, the company repaid £7,277,440 (2020: £6,807,360) of the Class A secured fixed rate bonds and £2,040,000 (2020: £2,040,000) of the Class B secured fixed rate bonds.

## 16. Operating lease commitments

**Lessor**
At the reporting end date the company had contracted with tenants for the following minimum lease payments:

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| Within one year | 27,283 | 27,755 |
| Between one and five years | 89,659 | 94,888 |
| In more than five years | 114,112 | 129,009 |
| | 231,054 | 251,652 |

## 17. Provisions for liabilities

| | 2021 £'000 | 2020 as restated £'000 |
|---|---|---|
| Accelerated capital allowances | 8,009 | 7,985 |
| Investment property | 23,710 | 21,735 |
| | 31,719 | 29,720 |

| | Deferred tax £'000 |
|---|---|
| Balance at 1 April 2020 (as restated) | 29,720 |
| Charge/(credit) to Income Statement during year | 1,999 |
| Balance at 31 March 2021 | 31,719 |

18. **Called up share capital**

| Allotted, called up and fully paid | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Ordinary shares partly paid of £0.50 each | 12,650 | 12,650 |

The allotted share capital equalled 100,000 shares at £0.50 each of which 400 shares were fully paid and 99,600 shares were partly paid at £0.125 each.

19. **Related party transactions**

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.

Included within the amount due to related undertakings is £nil (2020: £1,489) due to Aldersgate Investments Limited, a company under common control.

Included in creditors are bonds with a value of £12,658,218 (2020: £13,863,456) owned by Reuben Foundation, a charity whose Trustees include S D Reuben and R D Reuben. Interest of £898,222 (2020: £997,958) was recognised on these bonds in the year.

20. **Parent company and 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 holding company is Omaha Business Holdings Corp, a company registered in the British Virgin Islands.

The directors consider there to be no ultimate controlling party.

21. **Prior year adjustment**

Reconciliation of changes in equity

| | Notes | 1 April 2019 £'000 | 31 March 2020 £'000 |
|---|---|---|---|
| Equity as previously reported | | 330,586 | 332,265 |
| 2019 brought forward adjustment | | | 41,394 |
| **Adjustments to prior year** | | | |
| Revaluation of investment properties | 1 | 51,135 | 8,916 |
| Deferred tax | 2 | (7,876) | (1,560) |
| Un-winding of bonds issue costs | 3 | (1,865) | - |
| Equity as adjusted | | 371,980 | 381,015 |

Reconciliation of changes in profit for the previous financial period

| | Notes | 31 March 2020 £'000 |
|---|---|---|
| Equity as previously reported | | 5,634 |
| **Adjustments to prior year** | | |
| Revaluation of investment properties | 1 | 8,916 |
| Deferred tax | 2 | (1,560) |
| Profit as adjusted | | 12,990 |

**Notes to reconciliation**

1. **Parent company and controlling party**

A prior year adjustment has been provided for in order to recognise a recent revaluation of the investment property portfolio that resulted in a change in value of the investment properties by £51m as at 31 March 2019 and £9m as at 31 March 2020. The revaluation gains, together with the additional deferred tax for both year ends 31 March 2019 and 31 March 2020 have been recognised in the Statement of Changes in Equity and last year comparatives of Investment Properties and Provisions for liabilities.

2. **Deferred tax provision**

Deferred tax provision in relation to the revaluation of £7.87m and £1.56m has been recognised for the year ended 31 March 2019 and 31 March 2020 respectively.

3. **Un-winding of bond issue costs**

Un-winding of bond issue costs adjustment relates to the correction of amortisation periods applied in the previous year and to spread the cost amortisation over the bonds term.