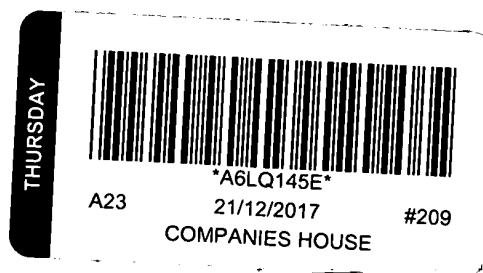


Company Registration No. 05204672 (England and Wales)

INVESTORS IN PRIVATE CAPITAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



INVESTORS IN PRIVATE CAPITAL LIMITED

COMPANY INFORMATION

Directors	J A Reuben P C O'Driscoll M R Turner S A J Nahum
Secretary	A Benjamin
Company number	05204672
Registered office	73 Cornhill London EC3V 3QQ
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ

INVESTORS IN PRIVATE CAPITAL LIMITED

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INVESTORS IN PRIVATE CAPITAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Fair review of the business

The group continues to maintain its market position despite continuing challenges in the industry following the global economic slowdown and regulatory changes. Rental uplifts at rent review anniversaries and lease renewals, have contributed to generating 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.

When 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 £4,947k (2016: £2,025k).

Overall, the performance of the year is considered to be satisfactory and the directors are confident about the forthcoming year.

Principal risks and uncertainties

The group is exposed to market risk in the form of financial risk, commercial risk and banking risk. The risk management policies employed by the group to manage these risks are discussed below.

Financial risk

The group supplies goods and services to customers on normal credit terms. Trade debtor balances are monitored on an ongoing basis and credit terms for all customers are regularly reviewed. The group's other financial risks arise on loans and cash balances. Surplus funds are held in short-term, interest bearing deposits with major banks. The group has not entered into any derivative transactions such as interest rate swaps in relation to any borrowings or investments.

Commercial risk

The group operates in a competitive market and there is a continuing risk that the group could lose customers due to challenges in the economy and competition for the leisure pound. It is believed that this risk has reduced from previous years and is mitigated by not being dependant on a single customer. In order to manage commercial 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. Tenants are reviewed on a regular basis to monitor payment and trading patterns.

Banking risk

The group has long term financing in place with its bonds (see note 18) and as such, the banking risks are minimal for the group.

INVESTORS IN PRIVATE CAPITAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Key performance indicators

The directors consider the following to be key performance indicators for the group:

Total revenue

Total revenue in the year was £29.2m (decrease from 2016 value of £94.2m). The significant decrease is a result of the sale of a US based subsidiary to a related company in the prior year. The revenue attributable to the subsidiary in 2016 was £64.4m.

Profit on ordinary activities before taxation

Profit on ordinary activities before taxation decreased to £17.5m (2016: £27.8m).

Cash generated from operations

Cash generated from operations in the year was £52.8m. This is a £7m decrease on the 2016 value of £59.8m.

Net asset value

Net asset value increased in the year by £20m (£148m for 2017: £128m for 2016).

Our people

Our people are central to our aim of being the UK's largest free of tie pub company and sourcing quality investments to further enhance our portfolio. We recruit, train and remunerate to attract the best professionals to enhance organisational performance. Our people include administration personnel that are key to supporting the operational and management team. Performance is actively monitored and upon achievement of certain targets employees benefit from appropriate financial incentives. The group also operates a defined contribution pension scheme.

Other information and explanations

The group is committed to the goals of environmental sustainability and accountability. We are conscious of our operating environment and the effect our activities can have on neighbouring communities. For the group's managed house and hotel operations there are appropriate environmental policies and waste disposal contracts in place. Where appropriate, subsidiaries participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and Energy Savings Opportunity Scheme (ESOS).

On behalf of the board



P C O'Driscoll

Director

18/12/2017

INVESTORS IN PRIVATE CAPITAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of a holding company.

The principal activity of the UK based subsidiary companies is that of managing leased properties and property investment.

Directors

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

J A Reuben
P C O'Driscoll
M R Turner
S A J Nahum

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary 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 Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTORS IN PRIVATE CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of disclosure to auditors

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 auditors of the company and group 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 auditors of the company and group are aware of that information.

Going concern

Having reviewed the group's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2017.

On behalf of the board



P C O'Driscoll

Director

18/12/2017

INVESTORS IN PRIVATE CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTORS IN PRIVATE CAPITAL LIMITED

We have audited the financial statements of Investors in Private Capital Limited for the year ended 31 March 2017 set out on pages 7 to 31. 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 3, 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 group's and the parent 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.

Basis for qualified opinion on the Financial Performance and Cash flows

In the prior year, before their closure, the group's US subsidiaries were audited by a US component auditor. Due to certain restrictions imposed upon us, we were unable to satisfy ourselves with the reliability of the conclusions drawn by the component auditors and accordingly we were unable to determine whether adjustments might have been necessary in respect of the US subsidiaries' profit of £11.3m included in the group statement of comprehensive income and the net cash flows from operating activities reported in the group statement of cash flows for the year ended 31 March 2016. The inability to satisfy ourselves with the prior year profits mean that we have been unable to determine whether adjustments might have been necessary in respect of the comparative balances disclosed within these financial statements for the year ended 31 March 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Kingdom, 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 qualified opinion.

INVESTORS IN PRIVATE CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVESTORS IN PRIVATE CAPITAL LIMITED

Qualified opinion on the Financial Performance and Cash Flows

Except for the possible effects of the matter described in the basis of Qualified Opinion paragraph above, in our opinion the Group Profit and Loss Account and Group Statement of Cash Flows give a true and fair view of the financial performance and cash flows of the Group for the year ended 31 March 2017, in accordance with UK GAAP.

Opinion on the Financial Position

In our opinion, the Statement of Financial Position gives a true and fair view of the financial position of the Company and the Group as at 31 March 2017 in accordance with UK GAAP and have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

18 December 2017

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

INVESTORS IN PRIVATE CAPITAL LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £'000	2016 £'000
Turnover	3	29,209	94,249
Cost of sales		-	(30,889)
Gross profit		29,209	63,360
Administrative expenses		(6,252)	(16,820)
Other operating income		614	71
Operating profit	4	23,571	46,611
Interest receivable and similar income	8	1,659	3,898
Interest payable and similar expenses	9	(12,693)	(20,430)
Profit/(loss) on disposal of subsidiary undertakings		-	(14,719)
Profit/(loss) on sale of investment properties		4,947	2,025
Fair value gains on investment properties		-	10,366
Profit before taxation		17,484	27,751
Taxation	10	2,107	(10,036)
Profit for the financial year		19,591	17,715

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

INVESTORS IN PRIVATE CAPITAL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	2017 £'000	2016 £'000
Profit for the year	19,591	17,715
Other comprehensive income	-	-
Total comprehensive income for the year	<u>19,591</u>	<u>17,715</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

INVESTORS IN PRIVATE CAPITAL LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		4		2
Investment properties	12		458,856		466,546
Investments	13		25		25
			<u>458,885</u>		<u>466,573</u>
Current assets					
Debtors	16	13,529		41,582	
Cash at bank and in hand		29,657		33,935	
		<u>43,186</u>		<u>75,517</u>	
Creditors: amounts falling due within one year	17	(33,537)		(31,942)	
Net current assets			9,649		43,575
Total assets less current liabilities			<u>468,534</u>		<u>510,148</u>
Creditors: amounts falling due after more than one year	19		(297,874)		(356,970)
Provisions for liabilities	21		(23,013)		(25,121)
Net assets			<u>147,647</u>		<u>128,057</u>
Capital and reserves					
Called up share capital	23		1		1
Profit and loss reserves			147,646		128,056
Total equity			<u>147,647</u>		<u>128,057</u>

The financial statements were approved by the board of directors and authorised for issue on 18/12/2017 and are signed on its behalf by:



P C O'Driscoll
Director

INVESTORS IN PRIVATE CAPITAL LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments	13	222,161	237,048
Current assets			
Debtors	16	1,584	30,735
Cash at bank and in hand		111	314
		1,695	31,049
Creditors: amounts falling due within one year	17	(23,186)	(24,289)
Net current (liabilities)/assets		(21,491)	6,760
Total assets less current liabilities		200,670	243,808
Creditors: amounts falling due after more than one year	19	(258,655)	(315,170)
Net liabilities		(57,985)	(71,362)
Capital and reserves			
Called up share capital	23	1	1
Profit and loss reserves		(57,986)	(71,363)
Total equity		(57,985)	(71,362)

The financial statements were approved by the board of directors and authorised for issue on 18/12/2017 and are signed on its behalf by:



P C O'Driscoll
Director

Company Registration No. 05204672

INVESTORS IN PRIVATE CAPITAL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2015		1	133,643	133,644
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	17,715	17,715
Other movements	27	-	(23,302)	(23,302)
Balance at 31 March 2016 (as restated)		1	128,056	128,057
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	19,591	19,591
Balance at 31 March 2017		1	147,646	147,647

INVESTORS IN PRIVATE CAPITAL LIMITED

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

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2015		1	(77,414)	(77,413)
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	6,051	6,051
Balance at 31 March 2016		1	(71,363)	(71,362)
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	13,377	13,377
Balance at 31 March 2017		1	(57,986)	(57,985)

INVESTORS IN PRIVATE CAPITAL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated from operations	28	52,836	59,849
Interest paid		(12,693)	(20,430)
Income taxes refunded		-	538
Net cash inflow from operating activities		<u>40,143</u>	<u>39,957</u>
Investing activities			
Purchase of tangible fixed assets		(5)	(1,025)
Proceeds on disposal of tangible fixed assets		-	1,045
Additions to investment property		(453)	(421)
Loan repayment on disposal of subsidiaries		-	48,529
Proceeds from other investments and loans		-	2,626
Proceeds from sale of investment properties		13,255	9,607
Interest received		589	3,898
Net cash generated from investing activities		<u>13,386</u>	<u>64,259</u>
Financing activities			
Increase/(repayment) of debentures		1,900	(7,253)
Repayment of borrowings		(3,192)	(87,995)
Repayment of bank loans		(56,515)	(4,900)
Net cash used in financing activities		<u>(57,807)</u>	<u>(100,148)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(4,278)</u>	<u>4,068</u>
Cash and cash equivalents at beginning of year		33,935	29,867
Cash and cash equivalents at end of year		<u><u>29,657</u></u>	<u><u>33,935</u></u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Investors in Private Capital Limited ("the company") is a limited company incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

The group consists of Investors in Private Capital Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £13,377k (2016: £6,051k).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Investors in Private Capital Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents rents receivable from investment properties and income from public house operating activities. Rent demands are sent to tenants in accordance with the rental agreements and rents are recognised on an accruals basis.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	50% straight line method
Fixtures, fittings & equipment	20% straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its 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.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 Taxation

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

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 group'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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.15 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.

1.16 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 instrument at a constant rate on the carrying amount.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

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

Investment properties

The group 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 value 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 an 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.

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. For details of directors' remuneration refer to note 7.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £'000	2016 £'000
Turnover		
Rental and other income	29,209	94,249
	<u> </u>	<u> </u>
Other significant revenue		
Interest receivable	1,659	3,898
	<u> </u>	<u> </u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover and other revenue

(Continued)

Turnover analysed by geographical market

	2017 £'000	2016 £'000
USA	-	64,396
United Kingdom	29,209	29,853
	<u>29,209</u>	<u>94,249</u>

4 Operating profit

	2017 £'000	2016 £'000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	3	301
Loss on disposal of tangible fixed assets	-	5
Profit on disposal of investment property	(4,947)	(2,025)
Amortisation of intangible assets	-	8,336
Cost of stocks recognised as an expense	-	30,889
Operating lease charges	<u>227</u>	<u>227</u>

5 Auditor's remuneration

	2017 £'000	2016 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the company's subsidiaries	<u>55</u>	<u>55</u>
For other services		
Taxation compliance services	<u>10</u>	<u>9</u>

6 Employees

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

	2017 Number	2016 Number
Administration	<u>23</u>	<u>25</u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Employees

(Continued)

Their aggregate remuneration comprised:

	2017 £'000	2016 £'000
Wages and salaries	1,031	1,105
Social security costs	116	118
Pension costs	100	104
	<u>1,247</u>	<u>1,327</u>

7 Directors' remuneration

	2017 £'000	2016 £'000
Directors service fees	<u>25</u>	<u>20</u>

8 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest income		
Interest on bank deposits	26	34
Other interest income	1,633	3,864
Total income	<u>1,659</u>	<u>3,898</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>26</u>	<u>34</u>
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9 Interest payable and similar expenses

	2017 £'000	2016 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	8,642	9,633
Other interest on financial liabilities	2,623	4,093
	<u>11,265</u>	<u>13,726</u>
Other finance costs:		
Other interest and penalties	1,428	6,704
Total finance costs	<u>12,693</u>	<u>20,430</u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Taxation

	2017 £'000	2016 £'000
Current tax		
Adjustments in respect of prior periods	-	1,914
Foreign current tax on profits for the current period	-	8,131
Total current tax	-	10,045
Deferred tax		
Origination and reversal of timing differences	(848)	(2,113)
Changes in tax rates	(1,259)	(2,062)
Adjustment in respect of prior periods	-	4,166
Total deferred tax	(2,107)	(9)
Total tax charge	(2,107)	10,036

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £'000	2016 £'000
Profit before taxation	17,484	27,751
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	3,497	5,550
Tax effect of expenses that are not deductible in determining taxable profit	262	2,709
Chargeable gains	1,183	834
Effect of change in corporation tax rate	(1,259)	(2,602)
Group relief	(3,957)	(3,725)
Effect of revaluations and indexation of investments	(901)	(719)
Effect of overseas tax rates	-	2,318
Tax adjustments in respect of prior years	-	6,079
Other tax adjustments	(598)	(17)
Profit on disposals of investment properties	(333)	(391)
Tax expense for the year	(2,107)	10,036

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2016	105	20	125
Additions	5	-	5
At 31 March 2017	110	20	130
Depreciation and impairment			
At 1 April 2016	105	18	123
Depreciation charged in the year	1	2	3
At 31 March 2017	106	20	126
Carrying amount			
At 31 March 2017	4	-	4
At 31 March 2016	-	2	2

The company had no tangible fixed assets at 31 March 2017 or 31 March 2016.

12 Investment property

	Group 2017 £'000	Company 2017 £'000
Fair value		
As at 1 April 2016 (as restated)	466,546	-
Additions through external acquisition	453	-
Disposals by group	(8,308)	-
Net gains or losses through fair value adjustments	165	-
At 31 March 2017	458,856	-

The directors have reviewed the investment properties held and consider their value at 31 March 2017 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.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Fixed asset investments

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Investments in subsidiaries	14	-	-	151,700	151,700
Unlisted investments		25	25	70,461	85,348
		<u>25</u>	<u>25</u>	<u>222,161</u>	<u>237,048</u>

The unlisted investment balance of £70.5m (2016: £85.3m) in the company relates to the investment in Wellington Pub Company Plc 'A' and 'B' bonds.

Movements in fixed asset investments

Group	Unlisted investments £'000	Listed investments £'000	Total £'000
Cost			
At 1 April 2016 & 31 March 2017	25	-	25
Carrying amount			
At 31 March 2017	25	-	25
At 31 March 2016	25	-	25

Movements in fixed asset investments

Company	Investments in subsidiaries £'000	Unlisted investments £'000	Total £'000
Cost			
At 1 April 2016	151,700	85,348	237,048
Disposals	-	(14,887)	(14,887)
At 31 March 2017	151,700	70,461	222,161
Carrying amount			
At 31 March 2017	151,700	70,461	222,161
At 31 March 2016	151,700	85,348	237,048

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Wellington Investments Limited	England & Wales	Property management	Ordinary 'A' & 'B'	100.00
Criterion Asset Management Limited	England & Wales	Property management	Ordinary 'A' & 'B'	100.00
Wellington Pub Company Plc	England & Wales	Property investment	Ordinary	100.00
Wellesley Capital Investment Limited	England & Wales	Property investment	Ordinary	100.00
Wellesley Developments Limited*	England & Wales	Dormant company	Ordinary	100.00
Marguerite Properties Limited	England & Wales	Dormant company	Ordinary	100.00
Mary Rose Properties Limited	England & Wales	Property investment	Ordinary	100.00
Mornington Pub Company Limited	England & Wales	Public house operation	Ordinary	100.00
Gianfar Limited*	England & Wales	Dormant company	Ordinary	100.00

* Companies were dissolved post year end.

15 Financial instruments

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	12,731	39,861	1,584	29,785
Equity instruments measured at cost less impairment	25	25	70,461	85,348
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	339,316	396,445	281,841	339,459
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

16 Debtors

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Amounts falling due within one year:				
Trade debtors	3,947	4,511	-	-
Amount due from related undertakings	4,367	34,650	473	29,719
Other debtors	4,418	699	1,111	66
Prepayments and accrued income	791	1,714	-	950
	<u>13,523</u>	<u>41,574</u>	<u>1,584</u>	<u>30,735</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	6	7	-	-
	<u>6</u>	<u>7</u>	<u>-</u>	<u>-</u>
Total debtors	<u>13,529</u>	<u>41,581</u>	<u>1,584</u>	<u>30,735</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Debenture loans	18	7,996	7,611	-	-
Trade creditors		2,018	2,791	60	1,016
Amount due to related undertakings		9,437	9,449	22,881	22,973
Other taxation and social security		2,778	1,232	-	-
Other creditors		2,760	2,684	150	150
Accruals and deferred income		8,548	8,175	95	150
		<u>33,537</u>	<u>31,942</u>	<u>23,186</u>	<u>24,289</u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Loans and overdrafts

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Class A secured fixed rate bonds at 6.735%	46,823	47,867	-	-
Class B secured fixed rate bonds at 7.335%	3,583	4,866	-	-
Less: Unamortised issue costs	(3,191)	(3,323)	-	-
Other borrowings	258,655	315,171	258,655	315,170
	<u>305,870</u>	<u>364,581</u>	<u>258,655</u>	<u>315,170</u>
Payable within one year	7,996	7,611	-	-
Payable after one year	<u>297,874</u>	<u>356,970</u>	<u>258,655</u>	<u>315,170</u>

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 issuer 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 period, the issuer repaid £5,571,000 (2016: £5,212,000) of the Class A secured fixed rate bonds and £2,040,000 (2016: £2,040,000) of the Class B secured fixed rate bonds.

The loan is secured on certain of the group's investment properties.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

19 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Debenture loans	18	39,219	41,799	-	-
Other borrowings	18	258,655	315,171	258,655	315,170
		<u>297,874</u>	<u>356,970</u>	<u>258,655</u>	<u>315,170</u>

20 Provisions for liabilities

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Deferred tax liabilities	21	<u>23,013</u>	<u>25,121</u>	<u>-</u>	<u>-</u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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 2017 £'000	Liabilities 2016 £'000	Assets 2017 £'000	Assets 2016 £'000
Group				
Accelerated capital allowances	7,243	7,888	6	7
Revaluations	<u>15,770</u>	<u>17,233</u>	<u>-</u>	<u>-</u>
	<u>23,013</u>	<u>25,121</u>	<u>6</u>	<u>7</u>

The company has no deferred tax assets or liabilities.

22 Retirement benefit schemes

	2017 £'000	2016 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>100</u>	<u>104</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

23 Share capital

	Group and company	
	2017	2016
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1	1

24 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for leased Motor vehicles. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years with no defined option to extend the lease.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	52,919	24,309	-	-
Between two and five years	50,275	62,518	-	-
	<u>103,194</u>	<u>86,827</u>	<u>-</u>	<u>-</u>

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	26,501	25,837	-	-
Between two and five years	94,153	92,928	-	-
In over five years	156,381	153,239	-	-
	<u>277,035</u>	<u>272,004</u>	<u>-</u>	<u>-</u>

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

25 Related party transactions

The group has taken advantage of the exemption available in FRS102 section 33.1A "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking or fellow subsidiary undertakings.

At the year end the parent company owes TFB (Mortgages) Designated Activity Company, a company under common control, loans of £259m (2016: £315m). The interest payable on this loan amounted to £8.6m (2016: £9.6m).

Reuben Foundation, a charity in which one of the ultimate beneficial owners of the group is a Trustee, owns £3.3m (2016: £3.6m) worth of the group's bonds. During the year interest to the value of £256k (2016: £276k) was paid to the charity.

Included within the amounts due from related undertakings is £481,000 (2016: £481,000) due to Wellington Pub Company Plc from Aldersgate Investments Limited, a company under common control. Included within amounts due to related undertakings is £8.6m (2016: £8.6m) due from Investors in Private Limited to Aldersgate Investments Limited and £0.9m (2016: £0.9m) due from Wellesley Developments Limited also due to Aldersgate Investments Limited.

In 2016, Wellington Pub Company Plc (a subsidiary undertaking of the group) sold a property to Brookset 14 Limited, a company under common control, for sales proceeds of £250,000, being the market value.

26 Parent company and controlling party

The ultimate parent undertaking is Omaha Business Holdings Corp., a company registered in the British Virgin Islands at 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, BVI. The directors consider there to be no controlling party.

27 Prior period adjustment

Other movements in the retained reserves amounting to £23,302,000 for the year ended 31 March 2016 relates to the adjustments in fair value of the group investment properties not recognised in the previous year. The effect of the restatement has reduced retained reserves and the fair value of the investment properties which is disclosed within the group statement of changes in equity and note 12 of the financial statements.

INVESTORS IN PRIVATE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

28 Cash generated from group operations

	2017 £'000	2016 £'000
Profit for the year after tax	19,591	17,715
Adjustments for:		
Taxation (credited)/charged	(2,107)	10,036
Finance costs	12,693	20,430
Investment income	(1,659)	(3,898)
Loss on disposal of tangible fixed assets	-	5
Gain on disposal of investment property	(4,947)	(2,025)
Amortisation of loan issue costs	-	136
Fair value gains and losses on foreign exchange contracts and investment properties	-	(10,366)
Depreciation and impairment of tangible fixed assets	3	301
Effect of foreign exchange translation of subsidiary	-	(355)
Loss on disposal of subsidiary undertakings	-	14,829
Movements in working capital:		
(Increase)/decrease in stocks	-	31
Decrease in debtors	28,052	25,999
Increase/(decrease) in creditors	1,210	(12,989)
Cash generated from operations	52,836	59,849