

Company Registration No. 05204672 (England and Wales)

**INVESTORS IN PRIVATE CAPITAL LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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# INVESTORS IN PRIVATE CAPITAL LIMITED

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# INVESTORS IN PRIVATE CAPITAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2015**

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The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **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 in excess of 10% have been achieved, 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.

During the prior year, a subsidiary commenced trading in a number of sites owned by the group with a view to enhancing their value. A number of these were successfully leased to third parties in the year and the remaining post year end. Despite the success of this venture, the group has decided not to trade any other public houses directly at this time.

The disposal strategy remains, to divest of outlets not meeting internal benchmarks, where an appropriate offer is received. During the year, in accordance with this strategy, pubs were disposed of generating a net loss of approximately £331k (2014: £199k). During the year, the group also considered the acquisition of a number of public house portfolios that fit with its strategic objectives and add value to the existing portfolio. At year end none had been acquired.

In the year, the group sold the shares in its hotel owning and operating subsidiaries to a related company for a profit of £6,390k.

A significant acquisition was also undertaken in the year of a warehousing business in the United States, expanding the group's global footprint and income stream. Whilst this was initially considered to be an appropriate investment for the group, the directors believe that the ownership of this business could be better held elsewhere in the wider group and will look to transfer this investment during the next financial year.

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, banking risk and foreign exchange 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 16) 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 2015**

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### Foreign exchange risk

The group operates in the United Kingdom and the United States. Each jurisdiction undertakes a large proportion of its commercial transactions within its local market and its functional currency. Foreign exchange risk arises from the small proportion of commercial transactions undertaken in currencies other than the local functional currency, from financial assets and liabilities denominated in currencies other than the local functional currency and on the group's net investments in foreign operations.

Group policy is for each jurisdiction to undertake commercial transactions in its own functional currency whenever possible. Where this is not possible, the group manages its cash position across the group to mitigate the need to translate currency.

The group does not currently intend or enter into hedging transactions in relation to its foreign exchange risk.

The year-end exchange rate used when translating the result for the year to Sterling was GBP/USD 0.6754.

Had the year-end Sterling exchange rate been 5% stronger/weaker, then the impact of foreign exchange retranslation to the group's reporting currency would have resulted in the group's reserves being £3,720k lower/higher at the balance sheet date.

### **Key performance indicators**

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

### Total revenue

Total revenue in the year was £63.7m (increase from 2014 value of £35.5m). The significant increase is a result of the acquisition of a US based subsidiary. Increased revenues from the public house portfolio has also enhanced this result.

### Profit on ordinary activities before taxation

Profit on ordinary activities before taxation increased to £18.8m (2014: £3.8m) as a result of the additional profits included in the group's results from the acquisition of a US subsidiary and increased profitability on the public house portfolio.

### Cash generated from operations

Cash generated from operations in the year was £37.6m. This is a £17.2m increase on the 2014 value of £20.4m and demonstrates the efficiency of the group's operations and working capital management.

### Net asset value

Net asset value posted a strong increase in the year of £31.1m (£157.2m: 2015 vs £126.1m: 2014).

### **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.

### **Environment and society**

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).

# INVESTORS IN PRIVATE CAPITAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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On behalf of the board

A handwritten signature in black ink, appearing to read 'P C O'Driscoll', with a horizontal line drawn underneath.

P C O'Driscoll

**Director**

24 December 2015

# INVESTORS IN PRIVATE CAPITAL LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report and financial statements for the year ended 31 March 2015.

### Results and dividends

The consolidated profit and loss account for the year is set out on page 8.

The directors do not recommend payment of an ordinary dividend.

### Directors

The following directors have held office since 1 April 2014:

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

### 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 Strategic Report, 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 group 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 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 the group 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 the group 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 2015**

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors 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 2015.

On behalf of the board



P C O'Driscoll

**Director**

24 December 2015

# **INVESTORS IN PRIVATE CAPITAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF INVESTORS IN PRIVATE CAPITAL LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Investors in Private Capital Limited for the year ended 31 March 2015 set out on pages 8 to 27. 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).

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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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



# **INVESTORS IN PRIVATE CAPITAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

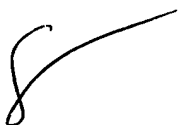
### **TO THE MEMBERS OF INVESTORS IN PRIVATE CAPITAL LIMITED**

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#### **Matters on which we are required to report by exception**

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

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



**Stephen Coleman ACA (Senior Statutory Auditor)**  
for and on behalf of

24 December 2015

**Chartered Accountants**  
**Statutory Auditor**

# INVESTORS IN PRIVATE CAPITAL LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	63,674	35,468
Cost of sales		(17,137)	(3,081)
<b>Gross profit</b>		<b>46,537</b>	<b>32,387</b>
Administrative expenses		(17,550)	(9,537)
Other operating income		187	173
<b>Operating profit</b>	<b>3</b>	<b>29,174</b>	<b>23,023</b>
Loss on sale of fixed assets		-	(199)
<b>Profit on ordinary activities before interest</b>		<b>29,174</b>	<b>22,824</b>
Investment income		6,390	-
Other interest receivable and similar income		762	205
Amounts written off investments	4	-	(3,300)
Interest payable and similar charges	5	(17,158)	(15,929)
<b>Profit on ordinary activities before taxation</b>		<b>19,168</b>	<b>3,800</b>
Tax on profit on ordinary activities	6	2,799	1,413
<b>Profit on ordinary activities after taxation</b>		<b>21,967</b>	<b>5,213</b>

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

# INVESTORS IN PRIVATE CAPITAL LIMITED

## STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2015

	2015 £'000	2014 £'000
Profit for the financial year	21,967	5,213
Currency translation differences on foreign currency net investments	2,897	-
Total recognised gains and losses relating to the year	24,864	5,213
Note of historical cost profits and losses		
	2015 £'000	2014 £'000
Reported profit on ordinary activities before taxation	19,168	3,800
Realisation of property revaluation gains of previous years	3,540	2,336
Historical cost profit on ordinary activities before taxation	22,708	6,136
Historical cost profit for the year retained after taxation, extraordinary items and dividends	25,507	7,549

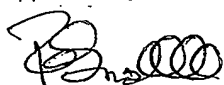
# INVESTORS IN PRIVATE CAPITAL LIMITED

## BALANCE SHEETS

AS AT 31 MARCH 2015

	Notes	Group 2015 £'000	2014 £'000	Company 2015 £'000	2014 £'000
<b>Fixed assets</b>					
Intangible assets	8	52,794	-	-	-
Tangible assets	9 & 10	520,592	510,546	-	-
Investments	11	25	25	280,184	216,590
		<u>573,411</u>	<u>510,571</u>	<u>280,184</u>	<u>216,590</u>
<b>Current assets</b>					
Stocks	12	31	72	-	-
Debtors	13	66,909	9,050	27,650	35,621
Cash at bank and in hand		29,867	37,469	107	20
		<u>96,807</u>	<u>46,591</u>	<u>27,757</u>	<u>35,641</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(72,104)</u>	<u>(25,552)</u>	<u>(23,623)</u>	<u>(12,827)</u>
<b>Net current assets</b>		<u>24,703</u>	<u>21,039</u>	<u>4,134</u>	<u>22,814</u>
<b>Total assets less current liabilities</b>		<u>598,114</u>	<u>531,610</u>	<u>284,318</u>	<u>239,404</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(438,503)</u>	<u>(395,197)</u>	<u>(361,731)</u>	<u>(318,345)</u>
<b>Provisions for liabilities</b>	17	<u>(8,673)</u>	<u>(10,339)</u>	<u>-</u>	<u>-</u>
		<u>150,938</u>	<u>126,074</u>	<u>(77,413)</u>	<u>(78,941)</u>
<b>Capital and reserves</b>					
Called up share capital	19	1	1	1	1
Revaluation reserve	20	34,023	37,563	-	-
Profit and loss account	20	116,914	88,510	(77,414)	(78,942)
<b>Shareholders' funds</b>	21	<u>150,938</u>	<u>126,074</u>	<u>(77,413)</u>	<u>(78,941)</u>

Approved by the Board and authorised for issue on 24 December 2015



P C O'Driscoll  
Director

Company Registration No. 05204672

# INVESTORS IN PRIVATE CAPITAL LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	£'000	2015 £'000	£'000	2014 £'000
<b>Net cash (outflow)/inflow from operating activities</b>		37,644		20,396
<b>Returns on investments and servicing of finance</b>				
Interest received	762		206	
Interest paid	(17,158)		(10,628)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(16,396)		(10,422)
<b>Taxation</b>		320		-
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(359)		(323)	
Payments to acquire investments	-		(25)	
Receipts from sales of tangible assets	6,857		5,586	
<b>Net cash inflow for capital expenditure</b>		6,498		5,238
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings (net of cash acquired)	(104,254)		-	
Sale of subsidiary undertakings (net of cash acquired)	(224)		-	
<b>Net cash outflow for acquisitions and disposals</b>		(104,478)		-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(76,412)		15,212
<b>Financing</b>				
New long term loans	120,436		-	
Repurchase of debenture loan	(22,525)		(6,601)	
Repayment of long term loans	(28,711)		(6,400)	
<b>Net cash inflow/(outflow) from financing</b>		69,200		(13,001)
<b>(Decrease)/increase in cash in the year</b>		(7,212)		2,211

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

1	Reconciliation of operating profit to net cash inflow from operating activities		2015	2014
			£'000	£'000
	Operating profit		29,174	23,023
	Depreciation of tangible assets		361	63
	Amortisation of intangible assets		2,779	-
	Amortisation of bond issue costs		131	131
	Loss on disposal of tangible assets		331	-
	Decrease/(increase) in stocks		7	(34)
	(Increase)/Decrease in debtors		(26,575)	6,778
	Increase/(decrease) in creditors within one year		27,529	(9,565)
	Net effect of foreign exchange differences		3,907	-
	Net cash inflow from operating activities		37,644	20,396

2	Analysis of net debt	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
		£'000	£'000	£'000	£'000
	Net cash:				
	Cash at bank and in hand	37,469	(7,602)	-	29,867
	Bank overdrafts	(403)	390	-	(13)
		37,066	(7,212)	-	29,854
	Debts falling due within one year	(6,915)	6,915	(38,867)	(38,867)
	Debts falling due after one year	(395,197)	(76,115)	35,786	(435,526)
		(402,112)	(69,200)	(3,081)	(474,393)
	Net debt	(365,046)	(76,412)	(3,081)	(444,539)

3	Reconciliation of net cash flow to movement in net debt	2015	2014
		£'000	£'000
	(Decrease)/increase in cash in the year	(7,212)	2,211
	Cash (inflow)/outflow from (increase)/decrease in net debt	(69,200)	8,718
	Net effect of foreign exchange differences	(2,950)	-
	Amortisation of bond issue costs	(131)	-
	Movement in net debt in the year	(79,493)	10,929
	Opening net debt	(365,046)	(375,975)
	Closing net debt	(444,539)	(365,046)

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 1 Accounting policies

##### 1.1 Accounting convention

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

The group and company financial statements have been prepared on the going concern basis, which the directors consider to be appropriate, despite the company's net liability position, due to the group's significant net assets and the fact that the company has received assurance from Aldersgate Investments Limited, an intermediate parent undertaking within the Landal Worldwide Corp group, that it will continue to make sufficient funds available to enable the company to meet its obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

##### 1.4 Turnover

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

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	50% straight line method
Computer equipment	33.33% straight line method
Fixtures, fittings & equipment	20% straight line method

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

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### 1 Accounting policies (Continued)

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Stock

The closing stock is stated in accordance with the Statement of Accounting Practice Number 9 at lower of cost and net realisable value. The cost includes all expenditure which has been incurred in bringing the stock to its present location and condition. Stock is valued using the first in first out method.

#### 1.9 Pensions

The group 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.

#### 1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

No provision has been made for the deferred tax on the gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

#### 1.11 Repairs and maintenance

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

#### 1.12 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.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activities.



# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 2 Turnover (Continued)

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2015 £'000	2014 £'000
<b>Geographical segment</b>		
USA	32,757	-
United Kingdom	30,917	35,468
	<u>63,674</u>	<u>35,468</u>

### 3 Operating profit

Operating profit is stated after charging:

Depreciation of intangible assets	2,779	-
Depreciation of tangible assets	361	63
Auditors' remuneration	23	23
- Audit work	5	5
- Accounts work	5	5
- Tax work	5	5
	<u></u>	<u></u>

### 4 Amounts written off investments

Amounts written off fixed asset investments:

Provision on investment in subsidiary undertaking	-	3,300
	<u></u>	<u></u>

### 5 Interest payable

On bank loans, debentures and overdrafts	17,027	15,798
Amortisation of issue costs	131	131
	<u>17,158</u>	<u>15,929</u>

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

6	Taxation	2015 £'000	2014 £'000
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	733
	Adjustment for prior years	(1,735)	(2,216)
		<u>(1,735)</u>	<u>(1,483)</u>
	<b>Foreign corporation tax</b>		
	Foreign corporation tax	602	-
		<u>602</u>	<u>-</u>
	<b>Total current tax</b>	<u>(1,133)</u>	<u>(1,483)</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(2,152)	70
	Deferred tax adjustment re previous year	486	-
		<u>(1,666)</u>	<u>70</u>
		<u>(2,799)</u>	<u>(1,413)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>19,168</u>	<u>3,800</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2014 - 23%)	<u>4,025</u>	<u>874</u>
	Effects of:		
	Non deductible expenses	20	56
	Depreciation add back	76	9
	Capital allowances	(152)	(96)
	Tax losses and group relief utilised	(1,350)	(669)
	Income not assessable to taxation	(4,033)	(6)
	Adjustments to previous periods	(1,735)	(2,216)
	Chargeable disposals	350	438
	Effect of different statutory rates of tax	241	-
	Other tax adjustments	1,425	127
		<u>(5,159)</u>	<u>(2,357)</u>
	<b>Current tax charge for the year</b>	<u>(1,133)</u>	<u>(1,483)</u>

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 7 Profit/(loss) for the financial year

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

	2015 £'000	2014 £'000
Holding company's profit/(loss) for the financial year	1,528	(2,408)
	<u>1,528</u>	<u>(2,408)</u>

#### 8 Intangible fixed assets Group

	Goodwill £'000
<b>Cost</b>	
At 1 April 2014	-
Additions	55,573
At 31 March 2015	<u>55,573</u>
<b>Amortisation</b>	
At 1 April 2014	-
Charge for the year	2,779
At 31 March 2015	<u>2,779</u>
<b>Net book value</b>	
At 31 March 2015	<u>52,794</u>
At 31 March 2014	<u>-</u>

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 9 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 April 2014	145	111	256
Exchange differences	113	76	189
On acquisition of subsidiaries	2,320	1,567	3,887
On disposal of subsidiaries	(35)	(90)	(125)
Additions	2	124	126
Disposals	(12)	-	(12)
At 31 March 2015	2,533	1,788	4,321
<b>Depreciation</b>			
At 1 April 2014	105	38	143
Exchange differences	93	52	145
On acquisition of subsidiaries	1,875	1,024	2,899
On disposal of subsidiaries	(18)	(25)	(43)
Charge for the year	24	54	78
At 31 March 2015	2,079	1,143	3,222
<b>Net book value</b>			
At 31 March 2015	454	645	1,099
At 31 March 2014	40	73	113

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

<b>10 Tangible fixed assets</b>		
Investment properties	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>		
At 1 April 2014	510,760	-
Exchange differences	1,933	-
On acquisition of subsidiaries	39,418	-
On disposal of subsidiaries	(17,161)	-
Additions	233	-
Disposals	(7,176)	-
	<hr/>	<hr/>
At 31 March 2015	528,007	-
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 April 2014	327	-
Exchange differences	375	-
On acquisition of subsidiaries	7,529	-
Charge for the year	283	-
	<hr/>	<hr/>
At 31 March 2015	8,514	-
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 March 2015	519,493	-
	<hr/>	<hr/>
At 31 March 2014	510,433	-
	<hr/>	<hr/>

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 10 Tangible fixed assets

(Continued)

The split of the buildings is as follows

	Freehold	Short Leasehold	Long Leasehold	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2014	502,110	765	7,885	510,760
Exchange differences	1,019	-	914	1,933
On acquisition of subsidiaries	20,783	-	18,635	39,418
On disposal of subsidiaries	(17,161)	-	-	(17,161)
Additions	207	-	26	233
Disposals	(7,176)	-	-	(7,176)
At 31 March 2015	499,782	765	27,460	528,007
<b>Depreciation</b>				
At 1 April 2014	-	327	-	327
Exchange differences	182	-	193	375
On acquisition of subsidiaries	3,651	-	3,878	7,529
Charge for the year	141	12	130	283
At 31 March 2015	3,974	339	4,201	8,514
<b>Net book value</b>				
At 31 March 2015	495,808	426	23,259	519,493
At 31 March 2014	502,110	438	7,885	510,433

Except for the newly acquired properties, the values of which were professionally appraised during the year, the most recent valuation of the group's investment property portfolio was a desktop valuation carried out by the directors of the company. The directors consider the valuation at which the company's investment properties are included in the financial statements to reflect their open market value.

Deferred taxation has not been provided on the revaluation surplus as there is no intention to dispose of the properties. The amount of deferred UK corporation tax not provided on the revalued portfolio is estimated to be £17.9 million (2014: £21.5 million).

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 11 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2014 & at 31 March 2015	28,958	25	15,800	44,783
<b>Provisions for diminution in value</b>				
At 1 April 2014 & at 31 March 2015	28,958	-	15,800	44,758
<b>Net book value</b>				
At 31 March 2015	-	25	-	25
At 31 March 2014	-	25	-	25

### Company

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2014	28,958	64,889	167,500	261,348
Additions	-	19,052	48,529	67,581
Revaluation	-	(546)	-	(546)
Disposals	-	(3,440)	-	(3,440)
At 31 March 2015	28,958	79,955	216,029	324,942
<b>Provisions for diminution in value</b>				
At 1 April 2014 & at 31 March 2015	28,958	-	15,800	44,758
<b>Net book value</b>				
At 31 March 2015	-	79,955	200,229	280,184
At 31 March 2014	-	64,890	151,700	216,590

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 11 Fixed asset investments

(Continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Wellington Investments Limited	England & Wales	Ordinary 'A' & 'B'	100.00
Criterion Asset Management Limited	England & Wales	Ordinary 'A' & 'B'	100.00
Wellington Pub Company Plc	England & Wales	Ordinary	100.00
Wellesley Capital Investment Limited	England & Wales	Ordinary	100.00
Wellesley Developments Limited	England & Wales	Ordinary	100.00
KYP Holdings Plc*	England & Wales	Ordinary £1 & £0.20	79.09
Marguerite Properties Limited	England & Wales	Ordinary	100.00
Mary Rose Properties Limited	England & Wales	Ordinary	100.00
Mornington Pub Company Limited	England & Wales	Ordinary	100.00
Metrus, Inc.**	USA	Common Stock	100.00
MCEPF Metro I, Inc.**	USA	Common Stock	100.00
MITSI Holdings, LLC**	USA	Equity Units	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Wellington Investments Limited	Property management
Criterion Asset Management Limited	Property management
Wellington Pub Company Plc	Property investment
Wellesley Capital Investment Limited	Property investment
Wellesley Developments Limited	Investment
KYP Holdings Plc*	Marketing solutions
Marguerite Properties Limited	Dormant company
Mary Rose Properties Limited	Property investment
Mornington Pub Company Limited	Public house operation
Metrus, Inc.**	Investment
MCEPF Metro I, Inc.**	Investment
MITSI Holdings, LLC**	Storage of commodities

\*KYP Holdings PLC is currently in liquidation. The assets, liabilities and current year results of the subsidiary have therefore not been consolidated into these financial statements on the grounds that the company's directors no longer have control over the subsidiary.

During the year, the company's interest in Galleon Hotels Limited and Wingrove Properties Limited was sold to Arena Leisure Limited, a fellow subsidiary of Aldersgate Investments Limited, one of the company's intermediate parent undertakings.

\*\*Also during the year, Metrus, Inc., a corporation organised under the laws of the state of Delaware, USA, ("Metrus") was incorporated as a subsidiary of the company. The company then acquired the entire equity interests of MCEPF Metro I, Inc. and MITSI Holdings, LLC, both of which are companies organised under the laws of the state of Delaware, USA, together with their subsidiary undertakings, through Metrus, Inc. Due to the large number of subsidiary undertakings, the directors do not consider it appropriate to provide a full list.



# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 12 Stocks

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	31	72	-	-

### 13 Debtors

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	12,141	4,153	5	-
Amounts owed by group undertakings	30,757	903	27,169	35,062
Other debtors	2,939	1,810	1	3
Prepayments and accrued income	21,072	2,184	475	556
	66,909	9,050	27,650	35,621

### 14 Cash at bank and in hand

Included in the cash at bank balance is £6 million held in a liquidity reserve account. This sum was put on deposit at the time of the bond issue and may be used in certain specific cases of fund deficiency to make interest payments to bond holders.

### 15 Creditors : amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank overdraft	13	403	-	-
Current installment due on bonds and other long term borrowings	38,867	6,915	-	-
Trade creditors	2,922	3,504	690	-
Amounts owed to group undertakings	9,449	1,510	22,653	12,677
Corporation tax	-	813	-	-
Other taxes and social security costs	1,217	1,209	-	-
Other creditors	2,312	1,771	-	-
Accruals and deferred income	17,324	9,427	280	150
	72,104	25,552	23,623	12,827

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 16 Creditors : amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
<b>Analysis of loans</b>				
Class A secured fixed rate bonds at 6.735%	56,153	78,193	-	-
Class B secured fixed rate bonds at 7.335%	5,220	5,574	-	-
Bank loans	413,020	318,345	361,731	318,345
	<u>474,393</u>	<u>402,112</u>	<u>361,731</u>	<u>318,345</u>
Included in current liabilities	(38,867)	(6,915)	-	-
	<u>435,526</u>	<u>395,197</u>	<u>361,731</u>	<u>318,345</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	18,722	7,252	-	-
In more than two years but not more than five years	10,973	24,014	-	-
In more than five years	409,292	367,523	361,731	318,345
	<u>438,987</u>	<u>398,789</u>	<u>361,731</u>	<u>318,345</u>
Less unamortised issue costs	(3,461)	(3,592)	-	-
	<u>435,526</u>	<u>395,197</u>	<u>361,731</u>	<u>318,345</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 of 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 £4,875,000 (2014: £4,560,000) of the Class A secured fixed rate bonds and £2,040,000 (2014: £2,040,000) of the Class B secured fixed rate bonds.

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

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 17 Provisions for liabilities Group

	Deferred taxation £'000
Balance at 1 April 2014	10,339
Profit and loss account	(1,666)
Balance at 31 March 2015	<u>8,673</u>

The deferred tax liability is made up as follows:

	Group 2015 £'000	2014 £'000	Company 2015 £'000	2014 £'000
Accelerated capital allowances	<u>8,673</u>	<u>10,339</u>	<u>-</u>	<u>-</u>

### 18 Retirement Benefits

	2015 £'000	2014 £'000
Contributions payable by the group for the year	<u>113</u>	<u>117</u>

### 19 Share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid 1,000 Ordinary share of £1	<u>1</u>	<u>1</u>

### 20 Statement of movements on reserves Group

	Revaluation reserve £'000	Profit and loss account £'000
Balance at 1 April 2014	37,563	88,510
Profit for the year	-	21,967
Transfer from revaluation reserve to profit and loss account	(3,540)	3,540
Foreign currency translation differences	-	2,897
Balance at 31 March 2015	<u>34,023</u>	<u>116,914</u>

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 20 Statement of movements on reserves

(Continued)

#### Company

Profit  
and loss  
account  
£'000

Balance at 1 April 2014	(78,942)
Profit for the year	1,528
Balance at 31 March 2015	(77,414)

### 21 Reconciliation of movements in shareholders' funds

Group	2015 £'000	2014 £'000
Profit for the financial year	21,967	5,213
Other recognised gains and losses	2,897	-
Net addition to shareholders' funds	24,864	5,213
Opening shareholders' funds	126,074	120,861
Closing shareholders' funds	150,938	126,074

Company	2015 £'000	2014 £'000
Profit/(Loss) for the financial year	1,528	(2,408)
Opening shareholders' funds	(78,941)	(76,533)
Closing shareholders' funds	(77,413)	(78,941)

# INVESTORS IN PRIVATE CAPITAL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

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### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Administration	26	23
Licensed premises operations and management	60	47
	<u>86</u>	<u>70</u>

#### Employment costs

	2015 £'000	2014 £'000
Wages and salaries	1,682	1,799
Social security costs	150	179
Other pension costs	113	117
	<u>1,945</u>	<u>2,095</u>

### 23 Control

The ultimate parent company is Landal Worldwide Corp, a company registered in the British Virgin Islands.

### 24 Related party transactions

#### Group

The group has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary or fellow subsidiary undertakings.

Reuben Foundation, a charity in which one of the ultimate beneficial owners is a Trustee, owns £3.7 million (2014: £3.9 million) worth of the group's bonds. During the year interest to the value of £300k (2014: £316k) was paid to the charity.

The group's assets are subject to cross guarantees with other group members.