Company Number: 01653116

NEWABLE LIMITED
(FORMERLY GREATER LONDON ENTERPRISE LIMITED)

Annual Report and Financial Statements

Year Ended

31 March 2017

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NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Annual Report and Financial Statements for the year ended 31 March 2017

Contents

Country of incorporation of parent Company: Great Britain

Directors

P G Collis CB	A K Manning-Jones	M B Walsh
J Crook OBE	C J Manson	A M Watts CBE
P A Hendrick	Cllr G Nicholson (Chair)	M Whitefield
Cllr J Hopkins	S Tye	N Wright

Secretary and registered office
M Hofman
140 Aldersgate Street
London
EC1A 4HY

Company number
01653116

Auditors
BDO LLP
55 Baker Street
London
W1U 7EU

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Strategic Report

I present Newable Limited's strategic report for the year ended 31 March 2017.

1 Introduction

Newable Limited ("Newable") is a leading provider of professional services, financial support and property space to businesses. Newable has thirty-five years' experience of supporting enterprise and innovation through helping Britain's business men and women start, sustain and scale their businesses. Newable's success has enabled it to build an enviable reputation in its field of operations.

Newable is non-profit distributing and so it reinvests its profits and resources in its businesses.

2 Business Review

The year to March 2017 has been a year of very significant change for Newable with major progress being made in starting to deliver Newable's five-year strategy of significantly expanding its range of services to businesses.

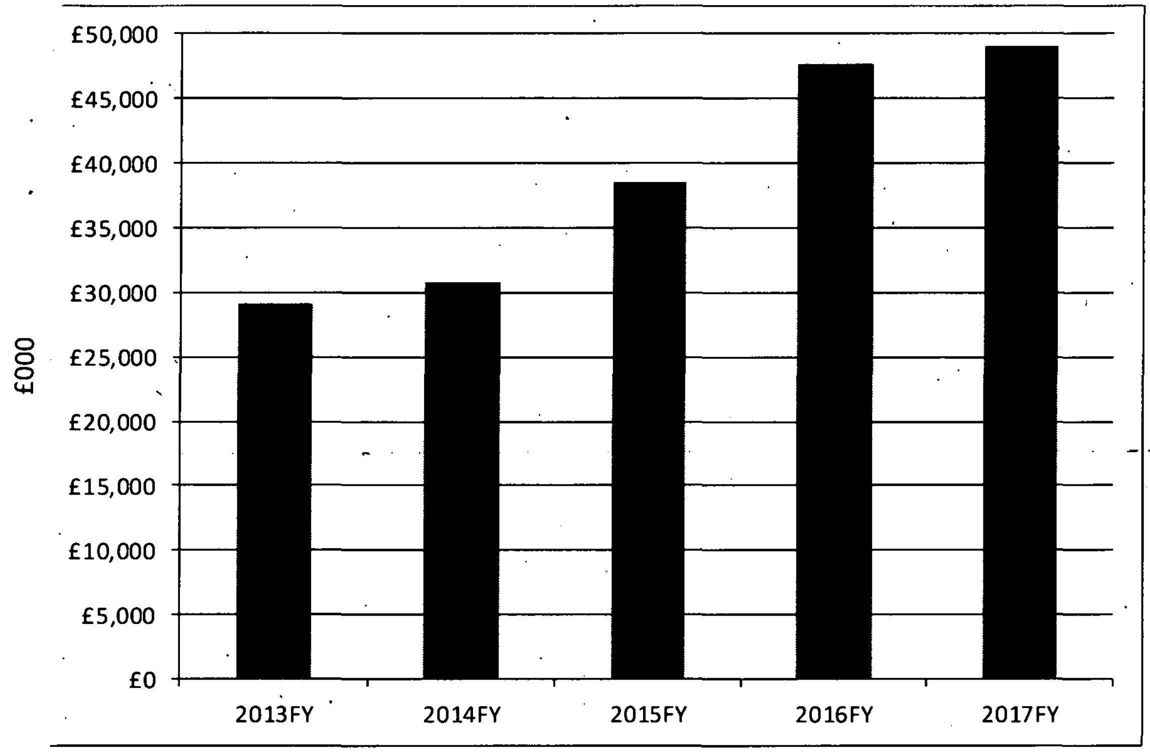
Against this backdrop of significant investment and change, I am pleased to report another strong performance for Newable with operating profits of £4.0m (2016: £9.9m). The total retained profit for the year of £1.4m (2016: £9.2m) represents a return on net assets of 2.7% (2016: 21.4%).

In the year to March 2017 Newable's businesses:

- assisted 7,400 companies to increase their exports;
- assisted nearly 1,200 companies to start exporting for the first time
- provided start-up, growth loans and enterprise support services to 1,300 people and businesses;
- lent some £9m to small businesses;
- provided innovation support for over 1,100 companies; and
- created, acquired or managed business and industrial space to accommodate over 370 small businesses.

Newable's Operating Profit benefitted from a very strong performance in its Properties businesses (profits of £7.8m; 2016: £9.5m) together with a strong financial performance from its International Trade business.

Newable's Net Assets increased by £1.4m (2016: £9.2m), reflecting the impact of the increase in profitability, including the increase in the value of Newable's property assets. This increase continues a trend of increasing net assets over the last five years illustrated by the following table showing the growth in net assets over the five financial years 2013 to 2017:



Against this backdrop of continuing strong financial performance, the Board has been focusing on developing Newable's strategy to expand the range of services it provides to businesses. I am pleased to report that significant progress has been made on the strategy in the following areas:

- The successful completion of the rebranding project, including a new name - Newable, which took place in October 2016.
- The restructuring and relaunch of Newable's Lending business to increase its scale of operations, providing loan finance to start up and early stage growth businesses. A key component of this was the launch of Newable Business Finance providing unsecured loans of up to £150,000 to smaller businesses.
- The senior management team was strengthened with the appointment of a Marketing and Communications Director to assist Newable's efforts to develop its profile and to support Newable's businesses in promoting their services in the market place, together with the appointment of an HR Director, reflecting the value that we place on our staff and our values programme.
- A number of new initiatives to launch or acquire new businesses; including a new loan product and the development of an equity investing business; the first stage of which, I am pleased to advise, was the acquisition, just after the year end in April 2017, of London Business Angels ("LBA"). LBA facilitates Angel investment in new/early stage businesses.
- The continuing expansion of Newable's properties business with growth in its investment portfolio and a significantly expanding development pipeline.
- An office move project to identify a new head office to facilitate Newable's growth by providing improved facilities for staff and space for the business to grow. The project completed in April 2017 with the relocation of Newable's head office and the consolidation of 2 smaller offices into the new office at 140 Aldersgate Street, London.
- Following a review of the business, the sale of Newable's cash flow finance business IGF that completed early in the financial year in April 2016.

It is worth emphasising that our strategy will require significant continuing investment in Newable's infrastructure, people and products. This may have some impact on future profitability in the short term as we build for the future success of Newable.

Profit is not the only driver and Newable will always aim to identify, target and deliver on other measures of performance and impact. The above figures demonstrate the scale of Newable's activities and it is pleasing to report that Newable's businesses met or exceeded most of their non-financial targets too, thus ensuring that they continue to make a very meaningful contribution to Newable's aim of supporting growth, development and confidence in the wider business community.

In all its activities Newable strives to deliver high quality, innovative services and investment aimed at meeting the needs of those starting or growing businesses. This is done by providing:

- Business growth services for businesses
    - **International Trade Services**
    - **Innovation support**
    - **Digital Services**
    - **Risk Assurance Consulting Services**

- Finance for start-up and growing businesses through **Newable Lending**

- Investment
    - in property and regeneration to create **Places for Businesses and People**
    - in **Equity and SME focused funds**

International Trade Services

Working for the Department for International Trade (DIT), Newable's International Trade teams supported approximately 4,150 businesses intensively with advice, strategy development, market research, research and development partners and direct sales opportunities. We ran 120 international trade events and trade missions benefiting 3,200 businesses. The companies we helped reported over £1.4 billion of new exports achieved as a direct result of our support and we created 1,156 new exporters.

Innovation Support

Newable has expanded its remit in the London Innovation Support landscape and in addition to delivering the European Enterprise Network and EU-funded Innovation Coaching and Investment Readiness contracts, it is now firmly part of Innovate UK's family.

During the year Newable engaged with over 1,100 companies (approximately 290 intensively) to deliver its innovation, access to funding, internationalisation and training support services. 91 London SMEs have been supported to secure international partnership agreements and grant funding for research and development, to progress and exploit the commercial and global potential of their innovations. In addition, the team helped to secure over £5m funding and finance for young businesses.

Digital Services

Newable Digital provides a comprehensive range of technology solutions and services primarily targeting start up and growing businesses. As well as looking after the technology needs of Newable itself, the team delivers both one-off development projects and ongoing managed services contracts to businesses across the United Kingdom.

It has a team of nine, highly skilled and experienced staff with accreditations in a number of disciplines and technologies and more than 20 external clients on managed services contracts generating recurring revenues (excluding projects) of approximately £200,000 per annum. Over the past 18 months, it has successfully delivered over 50 projects to a successful outcome.

Consulting

Newable Consulting has recently completed its full first year as part of Newable. The consulting business is a specialist provider of advice on governance, risk management, controls assurance and compliance. The business has had a successful first year, doubling revenues over the previous year and gaining over 20 new clients during the year. The consultancy has also added the ability to support complex change and project management to the services it offers.

Regulatory requirements are still a dominant driver for the services we provide and in particular the impact of the General Data Protection Regulations ("GDPR") which goes live from 25 May 2018 and is driving a significant number of opportunities for Consulting. Consulting is particularly proud to have been selected as the GDPR partner for the London Digital Security Centre which is a London wide initiative led by the Mayor of London , City of London Police and Metropolitan Police to support businesses in London in all aspects of digital security. This will provide great visibility for Newable across London.

Lending

Across all funds, in the last year Newable's loan finance arm, Newable Lending has provided almost 1,280 businesses with finance of £9.1m. This has been through a combination of its existing growth funds, the Regional Growth Fund and London Loan Fund; via its contract with the Start Up Loan Company ("SULCo"); and from the launch of Newable's new loan fund, Newable Business Finance in late January 2017, in partnership with Liberis.

Our ambition this year is to continue to increase the scale of our lending business. This will be through the continued growth of Newable Business Finance; through the new UK wide start up loans contract with SULCo (NEARLs) that started operating in April 2017; and from the launch of a new loan fund, Lending for Growth, that should take place in the summer of 2017.

Properties - Places for Businesses and People

Newable's property and regeneration business, Newable Properties, works to create places for businesses and people through property investment and development focused mainly in the Greater London area.

This year Newable Properties produced an operating profit of £6.3m (2016: £4.9m) before property revaluations. In addition, disposals during the year of properties valued in 2016 at £3.325m were offset by an acquisition of £2.35m, the transfer from the development company of a newly built and let investment with a value of £7.85m together with valuation improvements totalling £1.57m, which led to the value of its investment portfolio increasing by approximately £8.695m.

The Property Development business concentrated its attention on successfully acquiring three new sites for future development as well as on completing the construction by the autumn of 2016 of our 1.6-acre Brentwood site. This comprises 10 units totalling 44,095 sf for industrial and trade counter users and demand exceeded expectations with all units being quickly let allowing the investment to be transferred into our investment portfolio by the year-end generating profitability of approximately £3.0m.

At our Eley Road, Enfield refurbishment project, units 3, 4 and 6 were all let by the year end and unit 5 was under offer to let and completed in April 2017. Units 1 and 2 were offered for sale in April. Assuming this sale goes through this development will be complete and we may transfer the let units into our investment portfolio.

The Property Investments' results benefitted from a continuing strong performance from our in-house managed portfolio, which provides accommodation for approximately 375 small businesses. This came from a combination of high occupancy (averaging approximately 93% over the year), rental uplift and the sale of an industrial property to a housing association for potential residential development.

The business continues to focus on creating opportunities to enhance value and promote regeneration by investing finance and expertise in site assembly, capital improvements and exploring alternative and complementary uses and will continue to build on the success of recent years.

Equity and SME focused funds

Newable holds a number of investments in SME related investment funds where it has had a previous management or founding role.

Current investments include:

- Seraphim Capital Fund (an Enterprise Capital Fund launched by Newable);
- The Chandos Fund (a YFM Equity Partners Ltd managed institutional fund);
- Two British Smaller Companies VCTs also managed by YFM Equity Partners Ltd; and
- Seraphim Space Fund.

In addition, Newable completed shortly after the year-end, the acquisition of London Business Angels ("LBA") which is one of the United Kingdom's largest Angel networks which facilitates and matches Angel investors with start-up and early stage growth businesses. This is the first stage in what is planned to be a significant expansion of Newable's equity offering to businesses.

Newable currently has total investment holdings under these combined headings of £1.2m (2016: £1.7m).

3 Employees and Employee Diversity

Newable continues to invest in the development and training of its staff with the aim of attracting and retaining a rich and diverse resource of hardworking, innovative and creative people. In line with best practice, Newable publishes data on the diversity of its people that has been summarised below using our latest available data:

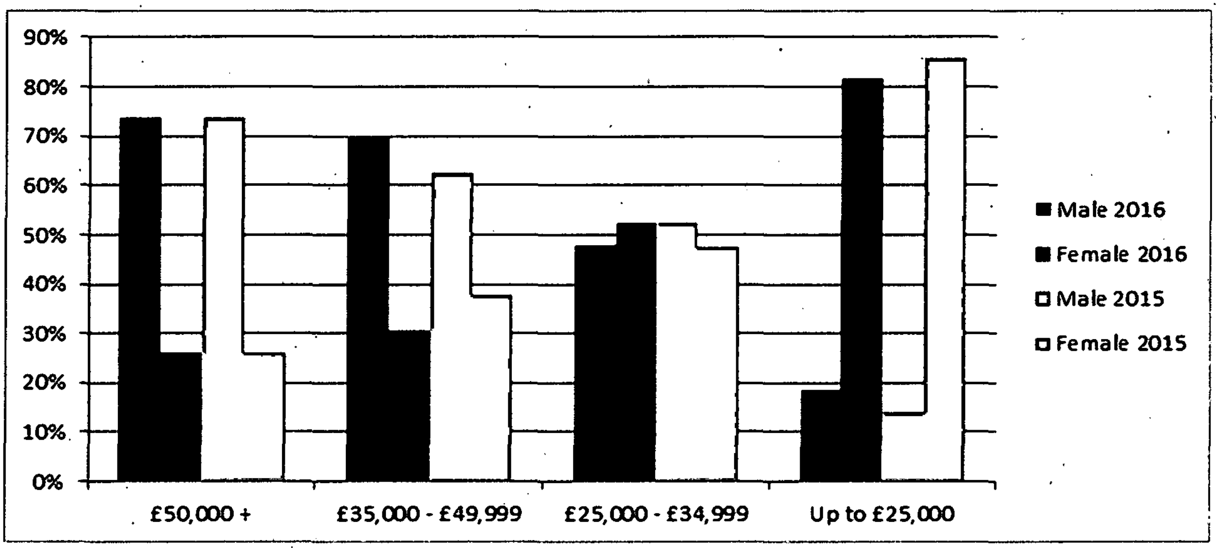
Newable's gender profile as at 31st December 2016

	Newable 2016	%	Newable 2015	%	UK %
Male	117	58.8	138	51.9	53.0
Female	82	41.2	128	48.1	47.0

Reference: Office for National Statistics 2013 Labour Force Survey

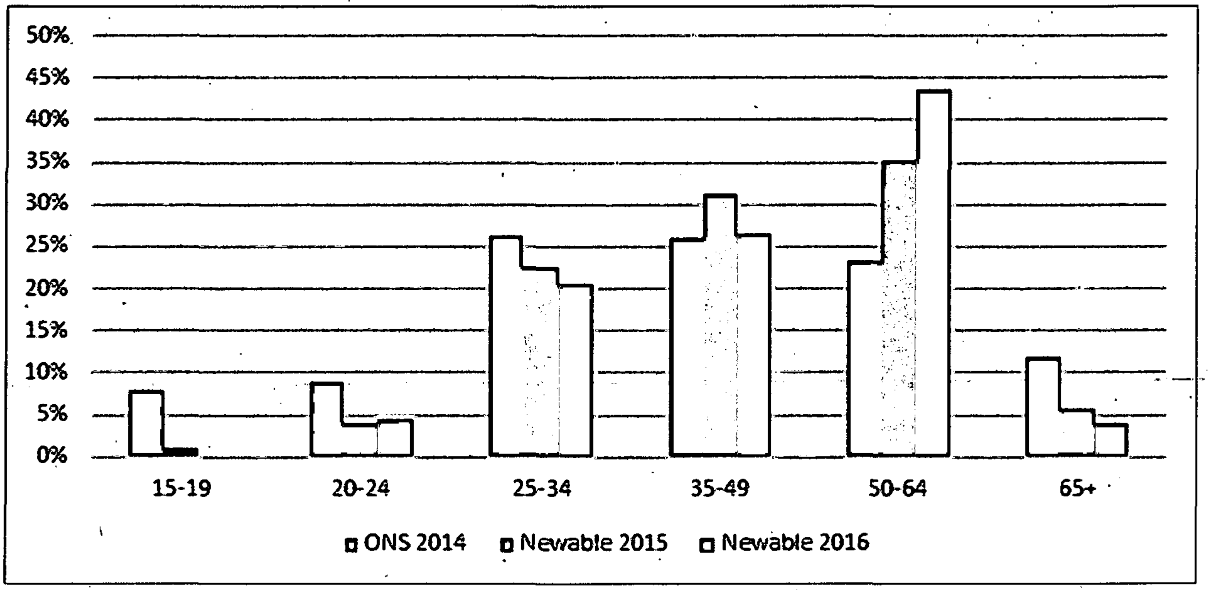
- Newable's gender balance is broadly in line with the UK workforce. We have seen an increase of 7% in the male versus female balance compared to the previous 12 months. This is due to Newable selling IGF, which had a higher percentage of female staff and the acquisition of our Consulting business, which had a higher percentage of male staff.

Newable's gender profile by annual salary



- Newable's gender profile shows greater disparity at the higher and lower salary levels.

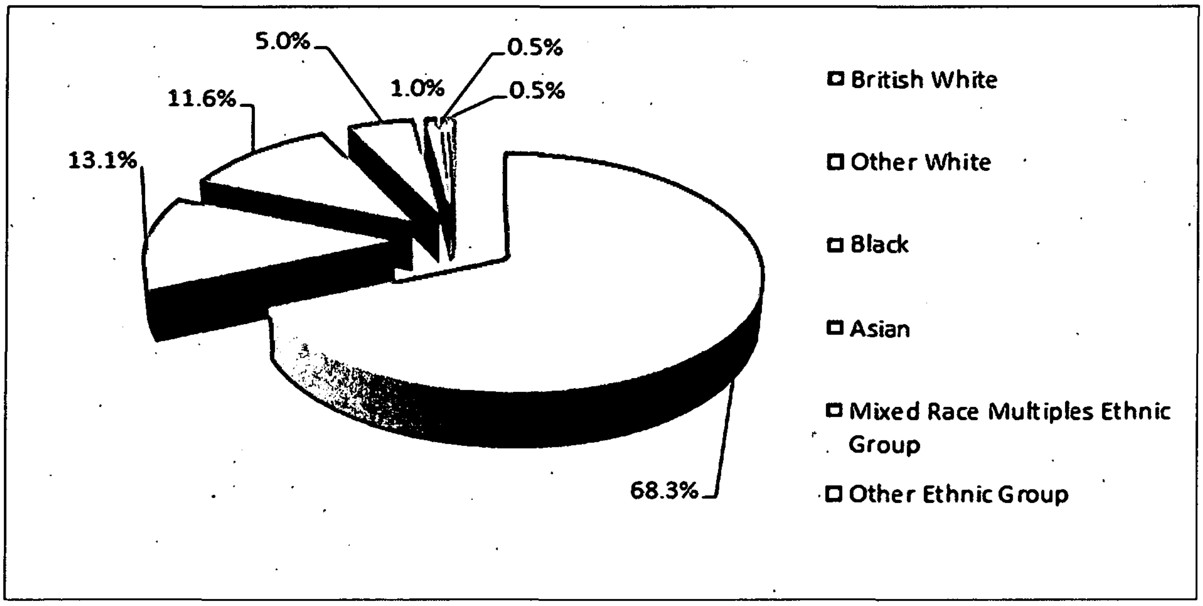
Newable's age profile



Reference: Office for National Statistics 2014 labour force survey

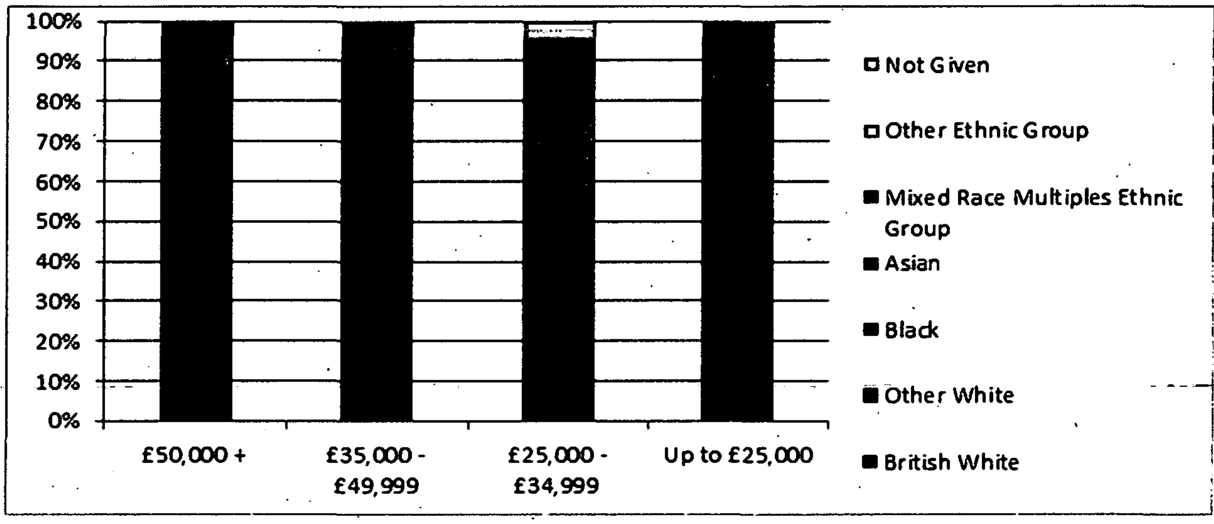
- Newable's overall age profile shows higher than average representation in the 50-64 years category.

Newable's ethnic representation as at 31st December 2016



- Newable's overall ethnic minority proportion rate has increased to 18.1% from 13.5% in the last 12 months. Diversity in Newable's London based businesses is greater than in the regional based businesses reflecting the UK's national and regional trends.

Newable's ethnic origin by annual salary



- Newable has the highest ethnic representation in the £25,000-£34,999 salary banding and represents a 20% increase on the previous 12 months.

4 Principal Risks and Uncertainties

The Board pays careful attention to the identification and control of risks associated with Newable's activities. At Board level, regular reports are given addressing all risk areas through regular review of a risk register. These are supplemented by reviews by the Audit Review Committee.

Newable is exposed to a number of risks, which can be summarised as follows:

Property market: Newable is exposed to fluctuation in the commercial property market. This risk is mitigated by management regularly reviewing market conditions and taking appropriate action.

Interest rate risk: Newable's borrowings are principally at a margin over LIBOR thus exposing newable to cash flow interest rate risk. Newable's policy is to ensure the margin is competitive when compared to other banks and to give consideration to hedging to reduce exposure to this risk. Newable's principal £25 million loan facility with Lloyds, is subject to an interest hedge to limit exposure to interest rate rises on up to £4.5m of borrowings.

Credit risk

Newable LLF Ltd, one of Newable Lending's operating companies, which started operations in March 2014, has advanced loans to SMEs in London via its London Loan Fund. As at 31 March 2017, when the London Loan Fund stopped lending, £4.2 million had been advanced to London based SME's. This lending also exposes Newable to the risk that these amounts may not be recoverable. This risk is mitigated by controls around the client take-on assessment process and on-going monitoring procedures. In addition, Newable LLF Ltd has guarantee arrangements in place from partners that can offset up to 76% of bad debts that may be incurred.

Liquidity risk: Newable is exposed to liquidity risk as sufficient funds are required to support trading, investing and financing activities. Newable regularly monitors the liquidity position to ensure that sufficient funds are available to meet both current and future requirements. Liquidity management includes managing the Newable's working capital and borrowings. Newable's borrowings are the subject of a number of financial covenants, which the Directors regularly monitor to ensure both current and future compliance.

Risk Appetite

Newable's risk appetite is aligned with our strategy and priorities and is broken down into four key risk areas:

Strategic: It will take on measured strategic risks in the pursuit of sustainable growth and in the interests of meeting our wider agenda of addressing the needs and encouraging the growth of businesses. Newable aims to maintain a range of sources of revenue generation and a balance in its asset allocation reflecting the risks involved in each of its activities.

Newable has adopted a new business strategy to grow the range of services and products offered by Newable and increase significantly the scale of Newable's operations. This will likely significantly increase the scale of investment in the coming years and this may have an impact on its strategic risk appetite. This is an ongoing initiative and could affect Newable's future risk appetite, which will continue to be assessed on an ongoing basis.

Operational: Newable takes a balanced approach to operational risk, meaning that it considers both the risk and the reward of key business decisions. A risk assessment process that assesses all aspects of key decisions, including financial, operational, staffing and infrastructure impacts is in place to assist Newable in identifying and, where possible, mitigating risk.

Financing & Reporting: Newable maintains a prudent financing strategy, even when undertaking major acquisitions, and therefore takes measured and fully evaluated risks in this area. In particular, Newable's loan facilities are carefully managed to ensure that at all times, it operates well within all financial and other covenant requirements.

Compliance: Newable considers adherence to laws, regulations, and agreements to be fundamental in enabling it to provide its clients, staff and other stakeholders with quality services and to meet its obligations and its legal / regulatory responsibilities to society. Compliance is strongly embedded in the culture of Newable. It therefore monitors compliance with applicable legislation, regulations, Newable's core values and ethical business principles.

At the time of writing, the UK has just commenced exit negotiations with the European Union. At this stage, political and economic uncertainties, particularly following the recent General Election result, clouds the immediate future. However, we remain confident that Newable has the resources to be able to continue to deliver successfully against its objectives. Indeed, we believe Newable will be able to help businesses thrive in this new era.

5 Conclusion

I am delighted to be reporting these results, which underline the benefit of Newable's strategy of operating across a range of activities. The results also demonstrate the benefits of targeting a balance of financial and non-financial objectives aimed at creating sustainable and profitable business activities that help support and foster enterprise.

Continuing to grow and finance British businesses is vital to Britain's economic growth and prosperity. This is where Newable operates and where it aims to do even more in the delivery of effective high quality business services, investment and innovation.

I would also like to take this opportunity to thank my Board colleague, Megan Dobney who left Newable during the year and for her contribution to Newable during this year and in previous years.

Finally, I would like to record my sincere thanks to all our staff and Board colleagues at Newable for their enormous contribution over the last year. That we are able to produce this level of financial result at the same time as investing significantly in the business and whilst delivering on our non-financial objectives too, is due to a great deal of hard work by every single person across Newable. I look forward with confidence to Newable's future.

C J Manson
Chief Executive

18 July 2017

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Directors' Report

1. Results

The Group's profit for the year, after taxation and minority interests, amounted to £1,912,000 (2016: £9,154,000) and has been added to reserves. In accordance with the articles of association no dividend is payable to members.

2. Directors

Those persons who acted as Directors during the year and subsequently are given below:

Non-Executive Directors

P G Collis CB	
J Crook OBE	
M Dobney	(resigned 22 November 2016)
P A Hendrick	
Cllr J Hopkins	
A K Manning-Jones	
Cllr G Nicholson	(reappointed Chair 21 March 2017)
S Tye	
A M Watts CBE	

Executive Directors

C J Manson	(Chief Executive)
M B Walsh	(Chief Finance Officer)
M B Whitefield	(Human Resources Director; appointed 18 July 2016)
N Wright	(Marketing Director; appointed 3 October 2016)

3. Directors' Interests in Shares

The Company is limited by guarantee without share capital.

Certain Non-Executive Directors are appointed from time to time to act as Private Members of the Company. These Private Members have no rights to participate in the income and assets of the Company. P A Hendrick, J Crook OBE, A K Manning- Jones, P G Collis CB, S Tye and A M Watts CBE acted as Private Members throughout the year as did M Dobney until her resignation on 22 November 2016. None of these Directors has or had at any time during the year any interest in the shares of any other Group undertakings.

4. Auditors

Although BDO LLP have expressed their willingness to continue in office, given the length of BDO's audit engagement with Newable (13 years) the Board has concluded that now would be an appropriate time to undertake, during the summer of 2017, an audit tender process. It is proposed that BDO LLP would be invited to take part in this tender process.

Following the conclusion of the audit tender process, the recommended audit firm, in accordance with Section 485 of the Companies Act 2006, would be proposed, by way of resolution, to be appointed as auditors of the Company at the next Annual General Meeting.

5. Directors' responsibilities for the financial statements

The Directors are responsible for preparing the 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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law – "UK GAAP"), in compliance with Financial Reporting Standard 101.

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 the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and in the case of the Company financial statements, in accordance with UK GAAP;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

ON BEHALF OF THE BOARD

M B Walsh
Director

18 July 2017

140 Aldersgate Street
London
EC1A 4HY

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Corporate Governance Framework

Newable continues to be committed to high standards of Corporate Governance and the Board of Directors believes this is a key element in continuing to preserve value and deliver growth in Newable.

This commitment reflects the importance the Board attaches to strong, open and visible governance and clear and transparent reporting. Newable Limited is a Company limited by guarantee with a combination of private and public sector members, the public sector members being the London Boroughs. Thirteen of these local authorities have the opportunity to nominate a proportion (less than 20%) of the Board of Directors. The Board monitors its Corporate Governance practices with an annual review undertaken by the Audit Review Committee with the aim of ensuring that governance policies and performance are maintained and continue to comply with the appropriate legal, regulatory and reporting requirements.

Board of Directors

The Board of Directors formally met three times during the financial year (in addition to a number of additional meetings outside the normal course of business to address specific investment proposals) and has overall responsibility for leading and controlling the Company and is accountable to the Ordinary and New Members (the London Boroughs) for financial and operational performance.

The Board has adopted a formal schedule of matters detailing key aspects of the Company's affairs presented to it for decision. Responsibility for the development and recommendation of strategic plans for consideration by the Board, for implementation of strategies and policies approved by the Board and for operational management is delegated to the Boards of Newable's individual businesses of which a number of Executive and Non-Executive Directors are members.

At 31 March 2017, the Board comprised a Non-Executive Chair, four Executive Directors and eight Non-Executive Directors. The Directors are as shown on page 11. With the exception of Cllr G Nicholson and Cllr J Hopkins (who are nominated by the original London Borough Ordinary Members), the Non-Executive Directors are the Private Members of the Company. Biographical details of members of the Board are included on the Newable's external website at: https://www.newable.co.uk/team.php

The Board is aware that four Non-Executive Directors, Paul Hendrick, Jeremy Crook, Anne Watts and Andrew Manning-Jones have all served in excess of 10 years. However, the Board considers they remain independent given their wide range of external appointments to other Boards and other interests outside of Newable. Their continued engagement and contribution is much valued. The Board has recently agreed the start of a refreshment programme to appoint a number of new Non-Executive Directors, to strengthen the Board and to replace planned retiring Non-Executive Directors in the next one to two years.

The roles of the Chair and Chief Executive are distinct and separate, with a clear division of responsibilities. Paul Hendrick continues his appointment as Senior Independent Director. The Board considers that the Non-Executive Chair and the Senior Independent Director are independent of the Chief Executive and this, together with the majority of independent Non-Executive Directors and use of Board Committees, facilitates a forum for clear, independent and unfettered communication both internally and externally.

The Non-Executive Directors combine broad business and commercial experience with independent and objective judgement. This balance enables the Board to provide clear and effective leadership and maintain the highest standards of integrity across Newable's business activities. The Board has reviewed the independence of the Non-Executive Directors and has concluded that, with the exception of Cllr G Nicholson and Cllr J Hopkins who were nominated by the original London Borough Ordinary Members, the Non-Executive Directors are independent. The Board is supplied with comprehensive Board papers in advance of each Board meeting, including financial and business reports covering each of the Newable's principal business activities.

The Board accepts its responsibility for ensuring there is an effective system of internal control. In this respect, the Audit Review Committee regularly reports and advises the Board on these issues.

The Board undertakes an annual self-assessment process, the results of which are reviewed by the Board and the Nominations Committee and helps inform future priorities for Board performance development generally.

The Board also carries out an annual review of the following:

- Conflicts of interest and related policy.
- Whistleblowing policy – which provides a mechanism for staff to raise issues of concern if required on a confidential basis.
- Board and Committee terms of reference.
- Relevant legal and compliance developments.
- Relevant health and safety matters.

During the summer of 2016, the Board completed its previously announced review of governance arrangements to identify possible improvements to its governance structures with approved changes being implemented in the second half of 2016.

The key changes implemented related to the elimination of the intermediate company board structure provided by Greater London Enterprise Contracts Ltd and Greater London Enterprise Investments Ltd ("GLEC and GLEI") to which the Board had historically delegated a range of responsibilities and authorities. Instead, and as proposed by the project, strengthened boards at the operating business level (Properties; Trade; Lending; Digital and Consulting) were established. Previously delegated powers from the Board to GLEC and GLEI were instead delegated to these new operating business boards. The operating business boards includes Executive Directors and Non-Executive Directors from the Board of the Company.

Although still at a relatively early stage of development, the Board has been pleased by the improvements delivered so far by the new governance arrangements.

Regular attendance of Board and Committee meetings is an important commitment on the part of Executive and Non-Executive Directors to ensure that governance arrangements remain robust and effective. Set out in the following tables are the attendance records of Directors at meetings of the Board and the Board's Committees:

Board Meetings:

Director's Name	To May 2017	To May 2016
P G Collis CB	3/3	2/3
J Crook OBE	3/3	2/3
M Dobney (resigned 22 November 2016)	2/2	2/3
P A Hendrick	3/3	3/3
J Hopkins	3/3	2/2
A K Manning-Jones	3/3	3/3
C Manson (appointed 11 January 2016)	3/3	1/1
G Nicholson	3/3	3/3
S Tye	3/3	3/3
M B Walsh	3/3	3/3
A M Watts CBE	3/3	3/3
M Whitefield (appointed 18 July 2016)	2/2	N/A
N Wright (appointed 3 October 2016)	2/2	N/A

Audit Review Committee Meetings:

Director's Name	To May 2017	To May 2016
P G Collis CB	3/3	3/3
P A Hendrick	3/3	3/3
S Tye	3/3	1/1
A M Watts CBE	3/3	3/3

Remuneration & Personnel Committee Meetings:

Director's Name	To May 2017	To May 2016
P G Collis CB	3/3	3/3
P A Hendrick	3/3	3/3
S Tye	3/3	1/1
A M Watts CBE	3/3	3/3

Nominations Committee:

Director's Name	To May 2017	To May 2016
P G Collis CB	1/1	1/1
P A Hendrick	1/1	1/1
C Manson (appointed 11 January 2016)	1/1	N/A
S Tye	1/1	N/A
A M Watts CBE	1/1	1/1

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, all Directors are able, if necessary, to obtain relevant independent professional advice at the Company's expense.

Board Committees

In order to ensure effective control and oversight, the Board has a number of committees with specific responsibilities defined by written terms of reference, which are reviewed annually by the Board, the Audit Review Committee and the relevant Committee, and are available on request from the Company Secretary. The principal committees are as follows:

The Audit Review Committee

The Audit Review Committee met three times in the year. It consists of four independent Non-Executive Directors. The four members are P A Hendrick (Chair), P G Collis CB, A M Watts CBE and S Tye. In addition, the Chief Executive, the Chief Financial Officer, external auditors and internal auditors attend by invitation at the discretion of the Chair. The Committee is responsible for assisting the Board in discharging its responsibilities for the selection of accounting policies and financial reporting, internal controls and its risk management framework. Newable management have established a system of internal control, which includes the accounting systems needed to manage and record the transactions undertaken by the business. However, it must be recognised that any system cannot provide absolute assurance against material misstatement or loss.

Newable's internal audit function is provided by Newable's Consulting business, which provides internal audit services to third party clients as part of its product offering. During the year, the Audit Review Committee reviewed the results of a number of internal audit reports covering various issues of internal controls and risk management. This programme of work will continue in the forthcoming year and is part of a planned three-year rolling schedule across Newable.

The Audit Review Committee carries out a formal regular review of the Newable's risk register and makes appropriate recommendations to the Board. The Committee also reviews the independence of the external auditors, including the relationship between audit and non-audit work performed by the external auditors, and reviews the nature and scope of the audit with the external auditors prior to commencement and continues to monitor the scope and results of the annual audit, its cost effectiveness and objectivity. The Committee also formally evaluates the performance of the external and internal auditors on an annual basis. The internal and external auditors have direct access, if required, to the Chair of the Committee.

The Committee monitors and reviews corporate governance practices and performance on an annual basis on behalf of the Board.

The Remuneration and Personnel Committee

The Remuneration and Personnel Committee met three times in the year and consists of four independent Non-Executive Directors. Executive Directors may attend at the invitation of the Chair to report on specific matters. The current Non-Executive members are A M Watts CBE (Chair), P A Hendrick, P G Collis CB and S Tye. The Committee assists the Board in discharging its responsibilities for executive remuneration policy, remuneration arrangements of Directors and remuneration, employment and personnel policy generally across the Group.

The Committee also monitors and reviews reports on employment, gender and diversity statistics and recruitment, retention and staff development policies within Newable.

The Nominations Committee

The Nominations Committee met once during the year in October 2016. It now consists of four Non-Executive Directors and one Executive Director. The current Non-Executive members are A M Watts CBE, P A Hendrick (Chair), P G Collis CB and S Tye; the Executive member is C J Manson. The Committee is responsible for assisting the Board in the formal selection and appointment of Directors.

The Committee considers potential candidates and recommends the appointment of new Directors to the Board. The Committee also takes responsibility on behalf of the Board for the recruitment, induction and training of new Directors and the assessment of Board and individual Director's performance. It also takes responsibility for the evaluation of Board members' performance, which includes review of attendance records and contributions to meetings.

The Committee also reviews and reports on performance in relation to Board and Sub-Committee administration including the content and timeliness of papers and minutes.

Relations with the Members

Each year, the Company provides Members with a report and a review of Newable's activities. Members are invited to attend the Annual General Meeting, where they have the opportunity to ask questions and raise any concerns to the Board of Directors. Two of the Non-Executive Directors are appointed by the original London Borough Ordinary Members and ensure the rest of the Board maintain an understanding of the views of those Members on an on-going basis. The Company's website (www.newable.co.uk) provides information on Newable's current activities.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Remuneration and Personnel Committee Review

1. Introduction

The Remuneration and Personnel Sub-Committee ('the Committee') is responsible for:

- The determination of Newable's policy for executive remuneration and the terms and conditions of employment of the Executive Directors.
- The determination of appropriate performance conditions for incentive arrangements and bonus payments across Newable.
- Review and determination of Newable's HR policies as required.

The Committee consists wholly of independent Non-Executive Directors and the current members are A M Watts CBE (Chair), P A Hendrick, P G Collis CB and S Tye. Executive Directors attend Committee meetings by invitation as required for relevant items, but are always excluded when their own performance and remuneration are under review.

In the last financial year the Committee met three times. The Committee continued to carefully review and monitor remuneration and incentive policies. There were no significant changes to incentive schemes in 2016/2017.

Bonuses are paid to management and staff for financial performance in respect of their business, provided certain annual targets are exceeded and this is, in addition, linked to an individual's performance appraisal. Payment of annual bonuses is capped at varying levels up to a maximum of 100% of salary for staff and for Executive Directors, with the exception of the Development Properties bonus scheme. This scheme is linked to the medium-term performance of individual development projects and which may, under certain circumstances, and dependent upon the timing of scheme completions, pay in excess of 100% of salary in a particular year. Bonuses paid to management and staff are not pensionable.

In last year's report, it was announced that a project to review Newable's bonus scheme arrangements across all Newable businesses was planned to commence in the summer of 2016. This project was completed in March / April 2017 when the Committee approved a number of proposed changes to Newable's bonus scheme arrangements and which will be effective from 1 April 2017. The principal changes that were approved are:

- Bonus schemes will operate based on a share of total reported profits, rather than, as has historically been the case, only on above budget profitability.
- Potential bonuses payable to staff will no longer be restricted by a percentage of salary cap. Previously Newable had operated salary caps restricting bonus payments as a percentage of salary ranging from 15% to 100% of salary. Instead, an aggregate cap on total bonus payable to all staff by Newable, of 25% of Newable profitability, now applies from 1 April 2017.
- Individual business specific bonus schemes will now include an element of bonus potential driven by overall Newable profitability and not just by the profitability of the individual Newable business.

These changes are seen as being essential to assist Newable's long-term strategy of significantly expanding its range of activities and the scale of its business.

Financial projections reviewed by the Committee, as part of its approval process, indicates that at current levels of profitability, bonus potential should be at similar levels compared to recent levels of bonuses paid by Newable.

In addition to the annual bonus schemes described above, that all staff participate in, a medium term incentive scheme also operates. This scheme can potentially pay in cash via payroll (there is no share element) up to 10% of base salary, from each medium term bonus pool to two Executive Directors, in each financial year, if Newable profitability of between £2.4 million and £3.4 million in a financial year is achieved. Profitability targets are subject to regular review.

The Committee will continue to monitor these schemes and will review in the light of prevailing market conditions. The objective of Newable's employment policies is to ensure that Newable is able to attract and retain the best calibre of staff from all sections of the communities in which it operates in an inclusive culture.

2. Policy on Remuneration of Executive Directors

With regard to remuneration of senior executives, remuneration levels need to be sufficient to attract and retain Executives of the quality required to manage the Group successfully. A component part of the remuneration package is therefore structured to link rewards to corporate and individual performance. In this respect wherever possible, comparisons have been made with other companies in similar sectors to ensure that packages offered are consistent and fair in relation to that offered elsewhere.

Accordingly, in this respect, the remuneration package of senior executives may include (in addition to an annual salary), both an annual performance incentive together with a potential element of medium term incentive.

All current Executive Directors have contracts providing for periods of up to six months' notice.

The main components of executive remuneration for the year ended 31 March 2017 were:

Basic Salary

Executive Directors benefited from an increase in base salaries during the year to 31 March 2017 as approved by the Committee.

Annual Performance Bonus

Newable operates annual performance bonus schemes, which are approved by the Committee. Payments under annual performance bonus schemes are non-pensionable.

Medium Term Incentive Scheme

Newable operates a medium term incentive scheme which is reviewed annually and approved by the Committee. Payments under the medium schemes are non-pensionable.

Pensions

During the year Newable made contributions on behalf of three Executive Directors to a defined contribution scheme. The contributions are based on basic salary only.

Other Benefits

Two Executive Directors are entitled to receive a company car or the cash equivalent. All Executive Directors are entitled to the provision of life assurance cover and insurance against critical illness.

3. Emoluments

Total emoluments of the Directors for the year are shown below.

	Basic Salary	Fees	Annual Bonus	Other Benefits *	**Total 2017**	**Restated Total 2016**
	£000	£000	£000	£000	**£000**	**£000**
Executive Directors						
C Manson (appointed 11 January 2016)	184.9	-	220.0	26.9	**431.8**	**83.7**
M B Walsh	181.2	-	221.0	4.2	**406.4**	**340.0**
M Whitefield (appointed 1 August 2016)	66.6	-	43.3	5.3	**115.2**	**-**
N Wright (appointed 3 October 2016)	60.2	-	30.0	4.2	**94.4**	**-**
M G Large (resigned 30 November 2015)	-	-	-	-	**-**	**415.7**
P Thackwray OBE (resigned 31 March 2016)	-	-	-	-	**-**	**354.6**
Non-Executive Directors						
P G Collis CB **	20.7	-	-	-	**20.7**	**49.1**
J Crook OBE	-	1.7	-	-	**1.7**	**2.5**
M Dobney	-	1.7	-	-	**1.7**	**2.5**
P A Hendrick **	20.7	-	-	-	**20.7**	**49.1**
J Hopkins (appointed 26 November 2015)	-	2.6	-	-	**2.6**	**-**
A K Manning-Jones	-	15.1	-	-	**15.1**	**13.5**
Cllr G Nicholson	7.5	-	-	-	**7.5**	**18.9**
S Tye (appointed 22 July 2014)	20.7	-	-	-	**20.7**	**13.1**
A M Watts CBE	20.7	-	-	-	**20.7**	**49.1**
Cllr M A Loveday (resigned 26 November 2015)	-	-	-	-	**-**	**2.5**
	583.2	**21.1**	**514.3**	**40.9**	**1,159.5**	**1,394.3**

* Other benefits comprise mainly employer contributions to Executive Directors' pension schemes and Company car benefits.

Directors' emoluments represent amounts charged to the income statement during the period rather than amounts paid.

During the year, three Executive Directors were members of a defined contribution pension scheme.

4. HR Policies

The Committee has focused on seeking to improve and enhance best practice with regard to HR policy and procedures. It regularly monitors the effectiveness of Newable's diversity and inclusiveness policy through the review of employee statistics including the ratio of staff by gender, age and the numbers from ethnic minorities. During the year, the Committee has kept HR activities, training, and development under regular review.

Newable is a diversity and inclusiveness employer and actively encourages applications from all sections of the community. Disabled people who meet all of the essential criteria will be invited to interview.

It continues to encourage and support the Newable's commitment to the development and training of all of its employees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWABLE LIMITED

We have audited the financial statements of Newable Limited for the year ended 31 March 2017, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and company balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of the group's profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- 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; and

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

BDO LLP.

Tim Neathercoat (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

18 July 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Consolidated Income Statement
For the year ended 31 March 2017

	Note	2017	As restated 2016
		£000	£000
Revenue	3	20,881	21,351
Cost of sales		(2,061)	(1,068)
Gross profit		18,820	20,283
Administrative expenses		(20,937)	(19,227)
Other operating income	4	-	627
Loss on disposal/impairment of owned assets		-	(15)
Gain on the disposal of investment and development properties		1,608	3,265
Increase in value of investment properties	15	4,524	5,020
Operating profit	5	4,015	9,953
Finance income	9	18	31
Finance expense	9	(583)	(517)
Share of post-tax losses of equity accounted joint ventures	30	(168)	-
Profit before taxation		3,282	9,467
Taxation	11	(1,245)	(253)
Profit from continuing operations		2,037	9,214
Loss on discontinued operations, net of tax	6	(20)	(50)
Profit for the year		2,017	9,164
Attributable to:			
- Equity holders of the parent		1,912	9,154
- Minority interest		105	10
		2,017	9,164

The notes on pages 29 to 63 form part of these consolidated financial statements.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2017

	Note	2017 £000	2016 £000
Profit for the year		2,017	9,164
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension scheme (net of deferred taxation)		(544)	444
Items that will or may be reclassified to profit or loss:			
Decrease in fair value of available for sale investments		(99)	(394)
Other comprehensive income for the year (net of tax)		**(643)**	**50**
Total comprehensive income for the year		1,374	9,214
Attributable to:			
- Equity holders of the parent		1,269	9,204
- Minority interest		105	10
		1,374	9,214

The notes on pages 29 to 63 form part of these consolidated financial statements.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Consolidated Statement of Financial Position
For the year ended 31 March 2017

Company Number: 1653116

	Note	2017 £000	As restated 2016 £000
Non-Current Assets			
Intangible assets	13	399	727
Property, plant & equipment	14	479	403
Investment property	15	48,265	39,570
Available for sale investments	18	3,098	3,152
Loan receivables	19	2,557	1,475
Deferred tax asset	10,26	868	800
		55,666	46,127
Current Assets			
Development properties	20	10,283	7,707
Trade and other receivables	19,21	10,381	9,070
Assets classified as held for sale	17	-	16,985
Cash & cash equivalents	22	5,258	10,768
		25,922	44,530
Total Assets		**81,588**	**90,657**
Current Liabilities			
Trade and other payables	23	10,987	12,466
Liabilities classified as held for sale	17	-	12,809
Losses from equity accounted joint venture	30	168	-
Provisions	24	911	92
Loans and borrowings	25	2,520	5,163
		14,586	30,530
Non-Current Liabilities			
Other payables	26	4,163	3,894
Loans and borrowings	25	9,544	5,025
Employee benefits	10	4,211	3,498
		17,918	12,417
Total Liabilities		**32,504**	**42,947**
Net Assets		**49,084**	**47,710**
Capital and reserves			
Members contribution	29	1,300	1,300
Retained earnings		47,627	46,358
Equity attributable to Equity holders of Company		48,927	47,658
Minority interest		157	52
		49,084	**47,710**

The financial statements on pages 24 to 63 were approved and authorised for issue by the Board of Directors on 18 July 2017 and were signed on its behalf by:

M B Walsh
Director

The notes on pages 29 to 63 form part of these consolidated financial statements.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Consolidated Statement of Changes in Equity
For the year ended 31 March 2017

	Note	Members Contribution	Other Reserve	Retained Earnings	Total	Minority Interest	Total Equity
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2015		**1,300**	**4**	**37,150**	**38,454**	**42**	**38,496**
Comprehensive Income for the year							
Actuarial losses on defined benefit plans	10	-	-	595	595	-	595
Deferred tax effect of losses recognised directly in equity	26	-	-	(151)	(151)	-	(151)
Decrease in fair value of available for sale investments	18	-	(4)	(390)	(394)	-	(394)
Other comprehensive income		**-**	**(4)**	**54**	**50**	**-**	**50**
Profit for the year		-	-	9,154	9,154	10	9,164
Total comprehensive income for the year		**-**	**(4)**	**9,208**	**9,204**	**10**	**9,214**
Balance at 31 March 2016		**1,300**	**-**	**46,358**	**47,658**	**52**	**47,710**
Comprehensive Income for the year							
Actuarial gains on defined benefit plans	10	-	-	(630)	(630)	-	(630)
Deferred tax effect of gains recognised directly in equity	26	-	-	86	86	-	86
Decrease in fair value of available for sale investments	18	-	-	(99)	(99)	-	(99)
Other comprehensive income		**-**	**-**	**(643)**	**(643)**	**-**	**(643)**
Profit for the year		-	-	1,912	1,912	105	2,017
Total comprehensive income for the year		**-**	**-**	**1,269**	**1,269**	**105**	**1,374**
Balance at 31 March 2017		**1,300**	**-**	**47,627**	**48,927**	**157**	**49,084**

The Other Reserve relates to amounts recognised in equity in respect of available for sale investments.

The notes on pages 29 to 63 form part of these consolidated financial statements.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Consolidated Cash Flow Statement
For the year ended 31 March 2017

	2017	2016
Cash flows from operating activities	£000	£000
Profit for the year	2,017	9,164
Adjustments for non-cash movements:		
Depreciation of tangible fixed assets	147	278
Amortisation of intangible fixed assets	45	-
Impairment of intangible fixed assets	277	-
Reversal of intangible fixed asset contingent liability	20	-
Increase in the fair value of investment properties	(4,524)	(5,020)
Finance income	(18)	(31)
Finance costs	583	517
Share of loss in equity accounted joint venture	168	-
Gain on sale of available for sale financial assets	-	(627)
Gain on sale of investment properties	(1,509)	(2,503)
Corporation tax expense	1,245	253
Movement in working capital:		
Decrease in trade and other receivables	14,177	581
Increase in development properties	(2,576)	(2,512)
(Decrease)/increase in trade and other payables	(17,093)	1,941
(decrease)/increase in provisions and employee benefits	(40)	63
Cash generated from operations	**(7,081)**	**2,104**
Net interest paid	(442)	(361)
Corporation tax paid	(693)	(575)
Net cash flows from operating activities	**(8,216)**	**1,168**
Cash flows from investing activities		
Purchases of property, plant and equipment	(450)	(218)
Disposals of property, plant and equipment	227	113
Purchase of investment properties	(7,496)	-
Disposal of investment properties	4,834	6,633
Purchases of available-for-sale financial assets	(58)	(51)
Proceeds on available-for-sale financial assets	13	2,068
Purchase of intangible assets	(14)	(727)
Net cash from investing activities	**(2,944)**	**7,818**
Cash flows from financing activities		
Increase/(repayments) of bank borrowings	2,525	(14,450)
New bank loans raised	7,000	1,200
Net cash used in financing activities	**9,525**	**(13,250)**
Decrease in cash and cash equivalents	(1,635)	(4,264)
Cash and cash equivalents attributable to discontinued operations	-	2,188
Cash and cash equivalents (including overdrafts) at 1 April	6,855	8,931
Cash and cash equivalents (including overdrafts) at 31 March (see note 22)	**5,220**	**6,855**

The notes on pages 29 to 63 form part of these consolidated financial statements.

1. Incorporation and operations

Newable Limited changed its name from Greater London Enterprise Limited on 7 October 2016. Newable Limited is incorporated and domiciled in England and Wales as a private limited company. The principal activity of the Company is that of a holding company for its subsidiaries. The activities of the Company and its subsidiaries ("the Group") are described in note 2 of the Strategic Report.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the EU (IFRS).

The financial statements are presented in sterling, which is also the functional currency of the Group and amounts are rounded to the nearest £1,000.

The prior year figures in the Income Statement have been restated. Revenue of £8,752,500 and cost of sales of £5,443,719 totalling £3,264,781 have been reclassified as gain on the disposal of investment and development properties. The prior year statement of financial position balances have been restated to split out deferred tax asset onto the face of the accounts (deferred tax liabilities are included with non-current other payables). In addition, the loan receivable balance has been split between current and non-current to be shown on the face of the statement of financial position.

In assessing the going concern basis of preparation of the consolidated financial statements for the year ended 31 March 2017, the Directors have taken into consideration detailed forecasts for each of the business areas and the availability of funding.

The Group's Revolving Credit Facility with Lloyds Bank ("the RCF") is secured on the Group's investment properties and is a revolving loan facility of £25,000,000 which commenced on 19 June 2015 and is due to run until 18 June 2018. Interest is charged at LIBOR plus 2.25%. Negotiations are due to commence shortly on the negotiation of the renewal of the facility in June 2018. The directors are confident that the facility will be renewed on the same or similar terms.

The Directors are therefore confident that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 March 2017.

2. Summary of significant accounting policies (continued)

New pronouncements

The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU, relevant to its operations and effective for accounting periods beginning 1 April 2016.

The new or revised standards or interpretations that are effective for accounting periods commencing on or after 1 April 2016 and that are applicable to the Group are as follows.

The adoption of these standards does not lead to any changes in the Group's accounting policies and have no material impact on the financial statements.

Standard		Effective date
IFRS 11 Amendment	Accounting for acquisitions of interests in joint ventures	1 January 2016
IAS 16 and IAS 38 Amendments	Classification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 27 Amendment	Equity method in separate financial statements	1 January 2016
2012-2014 Cycle	Annual improvements to IFRSs	1 January 2016
IAS 1 Amendment	Disclosure initiative	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Amendments	Investment entities: applying the consolidation exception	1 January 2016

The following new or revised standards or interpretations that are applicable to the Group but which have not been adopted early are as follows.

Effective for accounting periods commencing on or after 1 April 2017:

Standard		Effective date
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 16*	Leases	1 January 2019
IAS 12 Amendment*	Recognition of deferred tax assets	1 January 2017
IAS 7 Amendment*	Disclosure initiative	1 January 2017
IFRS 2 Amendment*	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IAS40*	Investment property: property transfer to/from investment property amendment	1 January 2018

* Not yet endorsed by the EU

The directors are currently undertaking an exercise to determine the impact of these standards. IFRS 15 will affect how contractual revenue is recognised, IFRS 9 will affect future credit losses incurred on loans issued and IFRS 16 will require capitalisation of the operating lease expense. For the ongoing commitment, refer to note 27. The directors do not expect these standards and interpretations to have a material impact on the financial statements.

2. Summary of significant accounting policies (continued)

New pronouncements (continued)

Basis of consolidation

The Group financial statements include the financial statements of Newable Limited and its subsidiary undertakings. Intercompany transactions and balances between Group companies are eliminated in full. The profit attributable to members of the Company is stated after deducting the proportion attributable to minority interests.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of the changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the Group income statement as a single line, which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell) the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows). Goodwill is allocated on initial recognition to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the administrative expenses line item in the Income Statement, except to the extent they reverse gains previously recognised in equity.

2. Summary of significant accounting policies (continued)

Revenue recognition

Revenue is stated exclusive of intra-group transactions, trade discounts, VAT and other taxes. It comprises rental income, interest receivable on loans, fees receivable from investment management and advisory services and dividends on unlisted investments (which are recognised as received).

Fees receivable on advisory contracts are included in turnover on the basis of the sales value of work completed during the year. .Commissions, discount charges and other fees are recognised as they are earned. Rental income is recognised in the period to which they relate.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Arrangement fees associated with loans is amortised over the life of the loan.

Grant revenue is recognised once the conditions for the associated grant have been met. Lease incentives, such as rent-free periods, are spread over the life of the lease on a straight line basis.

Revenue recognition policies in respect of the sale of both investment and development properties are given below under the appropriate caption.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Balance Sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the Income Statement.

Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arise principally through the provision of goods and services to customers. Loans recognised are the principal amount outstanding on loans made to third party customers at an arm's length basis within the Group's Business Loans business. These receivables are carried at cost or principal amount loaned less any provision for impairment.

2. Summary of significant accounting policies (continued)

Financial assets (continued)

The provision for impairment is determined with reference to historic rates of default and non-payment by third party customers. Impairment losses are recognised in the Income Statement where the recoverable amount falls below carrying value. Impairment provisions are shown net of any insurance or guarantees in place in respect of the loans made to third party customers.

Available-for-sale: Non-derivative financial assets not included in the above category are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the Income Statement.

Financial liabilities

The Group only has financial liabilities that are recognised at amortised cost, these include:

- Trade payables and other monetary liabilities, which are recognised at amortised cost.
- Bank borrowings are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Balance Sheet. 'Interest expense' in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Borrowing costs

Interest incurred on the bank loan used to fund the construction of the Group's development properties is capitalised from the start of the development work until the date of practical completion.

The capitalisation is suspended if there are prolonged periods when development activity is interrupted. Capitalised interest is calculated with reference to the actual rate payable on borrowings for development purposes or for that part of the development cost financed out of general funds. Other financing costs incurred in respect of development properties are charged to the income and expenditure account in the year that they arise, except that financing costs relating to pre-sold and pre-let development properties are capitalised up to the point when a development is either sold or acquires investment status.

The Group does not incur any other interest costs that qualify for capitalisation under IAS 23 'Borrowing costs'.

2. Summary of significant accounting policies (continued)

Grants receivable

Revenue grants are recognised in the Income Statement in the period to which they relate. Grants receivable in respect of development properties are included in the Income Statement when the related property is sold.

Capital grants are treated as follows:

(a) grants receivable to finance the purchase of fixed asset investments are included as deferred income and are released to the Income Statement to offset any impairment provisions against such investments, either in full or in part depending on the terms of the scheme;

(b) grants receivable to finance the expenditure on depreciable tangible fixed assets are included in deferred income and are released to the Income Statement in line with the depreciation charges on those assets;

(c) grants receivable in respect of investment properties are deducted in arriving at the carrying amount of the asset purchased.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for legal disputes. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Investment properties

Investment properties are those properties owned by the Group that are either held to earn rental income or for capital appreciation or both. Investment properties are initially recognised at cost plus transactions costs. Subsequently, the Group's investment properties are revalued annually to open market value, with changes in the carrying value recognised in the Income Statement. Investment properties are not depreciated.

Where revenue is obtained from the sale of the investment properties, it is recognised when the significant risks and returns have been transferred to the buyer. This is generally when an irrevocable and unconditional contract has been entered into by the Balance Sheet date except where payment or completion is expected to occur significantly after exchange.

The gain or loss on the disposal of investment properties is recognised on the face of the Income Statement and are calculated as the difference between the net disposal proceeds and carrying amount of the property.

Development properties

Development properties are initially recognised at cost and subsequently at the lower of cost and net realisable value. Cost includes materials, labour, directly attributable fees and expenses, finance costs (see accounting policy for borrowing costs) and relevant overheads incurred in bringing the development property to its present location and condition. Provisions for all known or expected losses to completion are deducted in arriving at the valuation of development properties.

2. Summary of significant accounting policies (continued)

Development properties (continued)

Where revenue is obtained from the sale of the development properties it is recognised when the significant risks and returns have been transferred to the buyer. This is generally when an irrevocable and unconditional contract has been entered into by the Balance Sheet date except where payment or completion is expected to occur significantly after exchange.

The gain or loss on the disposal of development properties is recognised on the face of the Income Statement and is calculated as the difference between the net disposal proceeds and carrying amount of the property.

Property, plant and equipment

Items of plant and equipment are initially recognised at cost. Costs comprise purchase cost and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all items of property, plant and equipment and the cost is written off over their expected useful economic lives. It is applied at the following rates:

Fixtures and fittings	-	25-33% per annum straight line
Computer equipment	-	25-33% per annum straight line
Leasehold improvements	-	straight line over lease term

Intangible assets

Intangible assets comprise primarily customer contracts, customer relations and goodwill. Intangible assets recognised separately from goodwill are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The customer contracts and customer relations are defined as having finite useful economic lives of between 3 to 10 years.

Amortisation is included within administrative expenses in the Income Statement.

Current assets and liabilities held for sale

Current assets and liabilities held for sale and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Current assets and disposal groups classified as held for sale are measured at the lower of:
- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

2. Summary of significant accounting policies (continued)

Current assets and liabilities held for sale (continued)

Following their classification as held for sale, current assets (including those in a disposal group) are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the Group Income Statement as a single line, which comprises the post-tax profit or loss of the discontinued operation along with the pre-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

Amounts recoverable on contracts

Work in progress on advisory contracts is valued at the cost of materials, labour and relevant overheads less progress payments and, where necessary, provisions to reduce cost to estimated realisable value. Where a loss is anticipated the expected loss is recognised immediately.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Balance Sheet differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

2. Summary of significant accounting policies (continued)

Deferred taxation (continued)

Deferred tax assets and liabilities are offset when the Group has 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 on either:

- the same taxable Group Company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the Income Statement in the year to which they relate.

Retirement benefits: Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

- the fair value of scheme assets at the Balance Sheet date; less
- scheme liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognised past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation are recognised directly within equity. The re-measurements include:

- actuarial gains and losses
- return on plan assets (interest exclusive)
- any asset ceiling effects (interest exclusive)

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments.

Net interest expense/income is recognised in profit or loss and is calculated by applying the discount rate used to measure the defined benefit obligation/(asset) at the beginning of the annual period to the balance of the net defined benefit obligation/(asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

2. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of investment property and freehold land and buildings

Information in relation to the valuation of investment property is disclosed in note 15. The valuation is based upon assumptions including future rental income, anticipated occupation rates, future development costs and the appropriate discount rate. The valuers and Directors also make reference to market evidence of transaction prices for similar properties.

(b) Pension assumptions

The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the consolidated Income Statement and the Statement of Financial Position.

(c) Impairment of loan receivables

The Group regularly assesses the recoverability of its loan receivables for evidence of impairment. This assessment involves judgement in respect of the credit quality of counterparties and the quality of security provided to the Group.

(d) Impairment of goodwill

The Group carries out an annual review of goodwill to ensure the carrying amount is supported with future estimated cash flows. Assumptions used to support the carrying amount rely on future estimated cash flows, which are highly judgemental based on prior performance.

3. Revenue

The Group's revenue can be analysed as follows:

	2017 £000	2016 £000
Advisory fees	16,450	17,369
Rental income	4,291	3,914
Other income	140	68
	20,881	21,351

In the prior year revenue of £8,752,500 representing sales proceeds generated from the disposal of certain of the Group's investment and development properties (refer to note 15) have been reclassified as part of gain on sale of investment and development properties.

4. Other operating income

This principally comprises:

	2017 £000	2016 £000
Profit on sale of investments	-	627

5. Operating profit

This is stated after charging:

	2017 £000	2016 £000
Staff costs (see note 7)	13,529	12,569
Amortisation (see note 13)	45	-
Impairment (see note 13)	277	-
Depreciation (see note 14)	147	278
Lease provision	894	-
Rebranding costs	531	-
Operating lease charges	567	555
Auditors' remuneration – for the audit of the Company	3	4
Auditors' remuneration – for the audit of subsidiaries	144	144
Auditors' remuneration – for non-audit services	254	142

6. Loss on discontinued operations

On 11 April 2016, the Group sold its cash flow finance subsidiary IGF Invoice Finance Limited at a loss of £113,000.

On 18 April 2013, Newable entered into a sales and purchase agreement with the senior management of its Equity Finance business, via a Limited Liability Partnership created for that purpose, to sell the majority of the Equity Finance business ('the business'), by the sale of YFM Private Equity Limited and the assignment of the management agreements, comprising the operating business of YFM Venture Finance Limited, to senior management. The sales process completed on 30 September 2013 and net deferred consideration of £44,000 was received during the current year.

Discontinued operations

	2017 £000	2016 £000
Revenue	-	3,651
Expenses other than finance costs	-	(3,406)
Finance costs payable	-	(248)
Tax credit/(expense)	49	(47)
Profit/(loss) on disposal of discontinued operations	(69)	-
Profit/(loss) for the year	(20)	(50)

6. Loss on discontinued operations (continued)

The Group Cash Flow statement includes the following amounts relating to discontinued operations:

	2017 £000	2016 £000
Cash and cash equivalents (see note 17)	-	2,144
Loans and borrowings (see note 17)	-	(10,601)
Net cash from discontinued operations	-	(8,457)

7. Staff costs

	2017 £000	2016 £000
Wages and salaries	11,608	10,441
Social security costs	1,126	1,281
Pension costs		
- defined contribution schemes	617	650
- defined benefit scheme (note 10)	178	197
Staff costs	13,529	12,569
Discontinued staff costs	-	1,873
Total staff costs	13,529	14,442

Average numbers of staff during the year were as follows:

	2017 Number	2016 Number
Trade	135	161
Business Loans	29	36
Business Accommodation	7	7
IT Services	8	7
Consulting Services	10	-
Management Services	16	10
	205	221
Discontinued	-	36
	205	257

8. Directors' remuneration

Remuneration in respect of Directors was as follows:

	2017 £000	2016 £000
Salary and bonuses	1,119	1,008
Compensation for loss of office	-	317
Defined contribution pension cost	41	-
Defined benefit pension cost	-	69
	1,160	1,394

Directors' emoluments represent amounts paid during the period.

As at 31 March 2017 there were no Directors in the Group's defined benefit scheme (2016 – Nil). There were 3 Directors in the Group's defined contribution scheme (2016 – 2).

The highest paid director, appointed on 11 January 2016, received emoluments of £451,800 during the year (2016: £340,000). The statutory directors' remuneration for the year was £1,159,500 (2016: £1,394,300).

9. Net finance expense

	2017 £000	2016 £000
Finance income		
Interest received on bank deposits	-	10
Interest received on loans made	18	21
	18	31

	2017 £000	2016 £000
Interest payable on borrowings and similar costs	460	392
Net interest expense from defined benefit scheme (note 10)	123	125
	583	517
	565	486

During the current year finance expense of £88,290 (2016: £81,810) was capitalised into development properties.

Finance income relates to financial assets classified as loans and receivables.

Finance expense relate to financial liabilities classified as financial liabilities measured at amortised cost.

10. Pension costs – defined benefit scheme

Certain employees of the Group are members of a defined benefit pension scheme operated by the London Pensions Fund Authority, which covers the Group's obligation to provide pensions to retired employees, and currently eligible members of staff, based on final pensionable salary. The assets of the scheme are held independently from the Group's finances and are administered by trustee companies.

As administering authority to the Fund, the London Pensions Fund Authority, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The latest actuarial valuation of the Fund was carried out as at 31 March 2016 and set contributions for the period from 1 April 2017 to 31 March 2020. There are no minimum funding requirements but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013, which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate, by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short term volatility can cause additional funding to be required if a deficit emerges;

- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;

- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and

- Longevity risk. In the event that the members live longer than assumed, a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the London Pension Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets, which eventually are inherited by the remaining employers.

10. Pension costs – defined benefit scheme (continued)

Pension costs are assessed on the advice of Barnett Waddingham, an independent qualified actuary, following triennial valuations using the projected unit method. The latest valuation of the scheme was carried out at 31 March 2016. The valuation assumed that investment returns would be 3.6% per annum (equal to the discount rate), that salary increases would average 1.0% per annum and that present and future pensions would increase at the rate of 2.3% per annum.

The contribution paid by employees in the scheme ranges from 5.5% to 12.5% of pensionable salaries and the Company's regular cash contribution is 15.4% p.a. of pensionable salaries.

The main financial assumptions used to value the assets and liabilities of the scheme as at 31 March 2017, 2016 and 2015 in accordance with the requirements of IAS 19 are shown in the following table:

	2017	2016	2015
RPI increase	3.6%	3.2%	3.2%
CPI increase	2.7%	2.3%	2.4%
Salary increase	2.5%	1.0%	1.0%
Pension increase	2.7%	2.3%	2.4%
Discount rate for scheme liabilities	2.7%	3.6%	3.3%

Mortality assumptions

As part of the formal valuations, the actuaries carried out detailed analysis of the experience of the membership of the scheme. The analysis indicated that the rates of improvement in mortality are currently running at a similar level to those assumed by the '92 series' standard tables.

The resulting average expectation of life for a male pensioner member currently aged 65 is 22.2 years (24.5 years for females) whereas for a male active member currently aged 45 the life expectancy as at the valuation date is assumed to be 24.5 years (26.7 years for females).

The fair value of the assets held by the pension scheme, the long-term expected rate of return on each class of assets and the value of the scheme's liabilities assessed on the assumptions described above are shown in the following tables.

In accordance with IAS 19, the following liability has been recognised in the Balance Sheet:

	2017 £000	2016 £000
Group's share of pension fund assets	11,659	9,656
Present value of scheme liabilities	(15,869)	(13,154)
Present value of unfunded liabilities	(1)	-
Deficit in the scheme	(4,211)	(3,498)
Related deferred tax asset	715	630
Net pension liability	(3,496)	(2,868)

10. Pension costs – defined benefit scheme (continued)

Assets (Employer)	Fund value at 31 March 2017 £000	Fund value at 31 March 2016 £000
Equities	4,298	4,485
Investment funds and unit trusts	2,488	-
Cash	2,277	1,221
Property	1,359	345
Private Equity	1,103	-
Bonds	125	-
Derivatives	9	-
LDI/Cashflow matching	-	979
Infrastructure	-	529
Commodities	-	43
Target Return Portfolio	-	2,054
Total value of market assets	11,659	9,656

For accounting periods beginning on or after 1 January 2013, the expected return and the interest cost have been replaced with a single net interest cost that effectively sets the expected return on assets equal to the discount rate of 2.7% (2016: 3.6%).

	2017 £000	2016 £000
Reconciliation of plan assets		
At beginning of year	9,656	9,819
Other actuarial gains	135	-
Interest on assets	346	323
Return on assets less interest	1,629	(398)
Contributions by participants	47	80
Contribution by employers	178	197
Benefits paid	(319)	(350)
Administration expenses	(13)	(15)
	11,659	9,656

	2017 £000	2016 £000
Reconciliation of plan liabilities		
At beginning of year	13,154	13,724
Interest cost	469	449
Current service cost	125	244
Contribution by plan participants	47	80
Change in financial assumptions	3,533	(993)
Change in demographic assumptions	(232)	-
Experience gain on defined benefit obligation	(906)	-
Estimated benefits paid net of transfers in	(319)	(350)
	15,871	13,154

10. Pension costs – defined benefit scheme (continued)

The following disclosures show the amounts that have been included in the income statement and the statement of changes in equity under IAS 19:

Analysis of the amount charged to operating profit

	2017 £000	2016 £000
Service cost	125	244
Net interest on the defined liability	123	125
Administration expenses	13	15
	261	384

Analysis of the amount charged to finance expense

	2017 £000	2016 £000
Expected return on pension scheme assets	-	-
Interest on pension scheme liabilities	123	125
Net gain	-	-
Less deferred taxation	-	-
	123	125

Analysis of amount recognised in equity

	2017 £000	2016 £000
Cumulative actuarial losses recognised directly in equity		
Return on plan assets in excess of interest	1,629	(398)
Other actuarial gains on assets	135	-
Change in financial assumptions	(3,532)	993
Change in demographic assumptions	232	-
Experience gain on defined benefit obligation	906	-
Net (loss)/gain	(630)	595
Less deferred tax credit/(charge)	86	(151)
	(544)	444

Movement in deficit during the year

	2017 £000	2016 £000
At 1 April	(3,498)	(3,905)
Movement in year:		
Current service cost	(125)	(244)
Contributions	178	197
Net losses	(136)	(141)
Net actuarial losses	(630)	595
At 31 March	(4,211)	(3,498)

10. Pension costs – defined benefit scheme (continued)

It has been agreed with the trustees that the contribution rate for the next year will be 18.9%. In order to reduce the deficit, the Group has agreed with the London Pension Fund Authority to make an additional payment of £73,230 for the year ended 31 March 2018. For the year ended 31 March 2017, the Group made additional contributions of £96,100 (2016: £91,960).

History of experience gains and losses

	2017 £000	2016 £000	2015 £000
Experience gains/(losses) on scheme assets	-	-	-
Value of assets	11,659	9,656	9,819
Percentage of scheme assets	0.0%	0.0%	0.0%
Experience gains on scheme liabilities	906	-	-
Present value of liabilities	15,871	13,154	13,724
Percentage of the present value of the scheme liabilities	5.7%	0.0%	0.0%

Sensitivity analysis

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	15,590	15,871	16,157
Projected service cost	177	181	185
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	15,899	15,871	15,843
Projected service cost	181	181	181
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	16,129	15,871	15,618
Projected service cost	185	181	177
Adjustment to lifer expectancy assumptions	+0.1%	0.0%	-0.1%
Present value of total obligation	16,467	15,871	15,298
Projected service cost	187	181	175

10. Pension costs – defined benefit scheme (continued)

For the adjustment to the life expectancy assumption, we are essentially assuming a member will live a year longer or a year less. For example, under +1 Year we assumed that a member with a 25 year life expectancy is actually expected to live for 26 years.

Defined contribution schemes
The pension charge in respect of this scheme is the actual contributions paid. These amounted to £546,000 (2016: £650,000).

11. Taxation

Analysis of taxation expense in the year:

	2017 £000	2016 £000
Current tax expense		
UK corporation tax on profits for the year	830	1,184
Adjustments in respect of prior years	138	(16)
Total current taxation expense	968	1,168
Deferred tax expense		
Origination and reversal of temporary differences	554	(650)
Effect of tax rate changes	(84)	35
Adjustments in respect of previous periods	(193)	(300)
Total deferred tax expense	277	(915)
Total taxation expense	1,245	253

11. Taxation (continued)

The reasons for the difference between the actual tax expense for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2017 £000	2016 £000
Profit on ordinary activities before taxation	3,282	9,467
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2016: 20%)	656	1,894
(Income) not allowable/expenses not deductible for tax purposes	(282)	(1,047)
Unprovided deferred tax movement	(6)	(20)
Adjustment in respect of prior years	(55)	(316)
Unrelieved tax losses and other differences	(24)	43
Capital gains	604	885
Permanent differences	155	(511)
Other timing differences	197	595
Movement in deferred taxation	-	(1,270)
Total taxation expense	1,245	253

12. Business combinations

On 2 October 2015, Newable acquired the existing customer contracts of Agile Trading Limited, an IT services company, for consideration of £75,000, incurring costs of £3,000. An additional payment of £25,000 was made during the current year, in accordance with the terms of the Sale and Purchase Agreement.

On 14 March 2016, Newable acquired the trade of Kingston Smith Consulting (KSC), which included 7 employees, from Kingston Smith LLP for consideration of £600,000, incurring costs of £4,000. KSC is an expert provider of advice on all areas of governance, risk management, controls assurance and compliance. The principal reason for this acquisition was to expand the business services offered by Newable and provide the potential to leverage the existence and knowhow acquired to develop and grow services, in order to meet the demands of existing and future clients.

13. Intangible assets

	Customer Contracts £000	Customer Relations £000	Goodwill £000	Total £000
Cost or valuation				
At 1 April 2016	123	120	484	727
Additions acquired through business combinations	-	-	14	14
Contingent consideration	(20)	-	-	(20)
At 31 March 2017	103	120	498	721
Accumulated amortisation and impairment				
At 1 April 2016	-	-	-	-
Amortisation charge	13	32	-	45
Impairment losses	-	28	249	277
At 31 March 2017	13	60	249	322
Net book value				
At 31 March 2017	90	60	249	399
At 31 March 2016	123	120	484	727

It is the view of senior management that no goodwill was included in the customer contracts acquired from Agile Trading Limited, and the cost of the KSC trade acquired from Kingston Smith LLP comprised £120,000 attributable to customer relations and the balance of £484,000 attributable to goodwill. The goodwill has arisen on the employees acquired with KSC and their knowledge and expertise, which does not qualify for separate recognition. No other assets or liabilities were acquired.

Newable is required to test whether goodwill has suffered any impairment, which it calculates at the end of its financial year. This test involves estimating future annual cash flows and discounting them at a suitable rate to determine their present value.

The amortisation period for customer contracts is between 3 to 10 years. It is the view of senior management that customer relations should be partially impaired as at 31 March 2017.

The impairment review carried out on 31 March 2017 determined that customer relations and goodwill associated with the acquisition has been partially impaired, as it has been concluded that it will not provide future economic benefit to the Group.

14. Property, plant and equipment

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2015	-	1,187	1,605	2,792
Additions	-	186	32	218
Disposals	-	(133)	(799)	(932)
Reclassified to assets and liabilities classified as held for sale (note 18)	-	(715)	-	(715)
At 31 March 2016	-	525	838	1,363
Transfer	399	(399)	-	-
Additions	312	15	123	450
Disposals	-	(113)	(644)	(757)
At 31 March 2017	711	28	317	1,056
Accumulated depreciation				
At 1 April 2015	-	792	1,424	2,216
Charge for the year	-	188	90	278
Disposals	-	(97)	(798)	(895)
Reclassified to assets and liabilities classified as held for sale (note 18)	-	(639)	-	(639)
At 31 March 2016	-	244	716	960
Transfer	171	(171)	-	-
Charge for the year	57	14	76	147
Disposals	-	(71)	(638)	(709)
Impairment	179	-	-	179
At 31 March 2017	407	16	154	577
Net book value				
At 31 March 2017	304	12	163	479
At 31 March 2016	-	281	122	403

15. Investment property

	Freehold property £000	Leasehold property £000	Total £000
At 1 April 2015	19,800	18,880	38,680
Additions	-	-	-
Disposals	(3,000)	(1,130)	(4,130)
Revaluations	2,600	2,420	5,020
At 31 March 2016	19,400	20,170	39,570
Additions	7,496	-	7,496
Disposals	(3,325)	-	(3,325)
Revaluations	3,904	620	4,524
At 31 March 2017	27,475	20,790	48,265

Bank borrowings are secured on the Group's freehold and leasehold property.

The Group's investment properties were valued by Jones Lang La Salle, chartered surveyors, as at 31 March 2017. The valuations were performed in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The Directors consider that their valuation is an accurate reflection of fair value at the yearend.

A fair value hierarchy of 3 is attributed to the investment property as there are a significant number of unobservable inputs used to determine the fair value of property. Fair value is determined by applying the income approach based on the estimated rental value of the property, and rental growth rates as estimated by the external valuer based on comparable transactions and industry data. The estimated rental value per square foot ranges from £10.00 to £25.00 (2016: £9.25 to £26.00). The estimated yield ranges from 5.25% to 9.29% (2016: 5.25% to 9.04%)

During the year £2,145,000 (2016: £3,609,000) was recognised in the Income Statement in relation to rental income from investment properties. Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to £229,000 (2016: £516,000). Direct operating expenses, including repairs and maintenance, arising from investment property that did not generate rental income during the year amounted to £3,623,000 (2016: £4,376,000).

At 31 March 2017, there was no restriction on the potential future realisation of investment property or the remittance of income and proceeds of disposal (2016: £nil).

At 31 March 2017, there were no contractual obligations to purchase investment property (2016: £nil).

16. Subsidiaries

The subsidiaries and joint ventures of Newable Limited, all of which are incorporated and registered in England and Wales and have been included in these consolidated financial statements, are as follows:

Name of company	Nature of business	Percentage of ownership interest at 31 March 2017	2016
Newable Trade (London) Limited	Administrative company	100	100
Newable Trade (South East) Limited	Administrative company	100	100
Newable Consulting Limited	Consultancy services company	100	100
GLE Enterprise Partners Limited	Consultancy services company	100	100
Batavia Road 1 Ltd	Development property company	100	100
Newable Developments Limited	Development property company	100	100
Newable Property Developments Limited	Development property company	100	100
Newable LLF Limited	Enterprise agency	100	100
Newable Business Loans Limited	Enterprise agency	100	100
London Business Loans (Wholesale) Limited	Enterprise agency	100	100
Newable RGF Limited	Enterprise agency	100	100
Leeds North East GP Limited	General partner	100	100
London GP Limited	General partner	100	100
PIF GP No 1 Limited	General partner	100	100
PIF GP No 2 Limited	General partner	100	100
PIF GP No 3 Limited	General partner	100	100
PIF GP No 4 Limited	General partner	100	100
PIF GP No 7 Limited	General partner	100	100
SMH GP Limited	General partner	100	100
South West GP Limited	General partner	100	100
YVF GP (Development Limited)	General partner	100	100
YVF GP (Investment Limited)	General partner	100	100
Newable Contracts Holdings Limited	Holding company	100	100
Newable UK Holdings Limited	Holding company	100	100
PW Group Holdings Limited	Holding company	100	100
PW Growth Finance Ltd	Holding company	97	97
Newable Private Equity Limited	Investment company	100	100
Leeds Enterprise Limited	Investment company	100	100
Leeds North East Investments Limited	Investment company	100	100
London Seed Capital Limited	Investment company	100	100
Newable Investments Limited	Investment company	100	100
Newable Yorkshire (Holdings) Limited	Investment company	100	100
SMH Venture Finance Limited	Investment company	100	100
GLE Growth Capital Ltd	Investment management company	100	100
Newable Properties Limited	Investment property company	100	100

16. Subsidiaries (continued)

Name of company	Nature of business	Percentage of ownership interest at 31 March 2017	2016
Waterfront Studios Limited	Investment property company	100	100
PW Asset Finance Ltd	Invoice discounting company	100	100
Newable Digital Limited	IT services company	100	100
Newable Business Finance Limited	Loans company	50	-
GLE Enterprise Developments Limited	Management services company	100	100
Newable Management Services Limited	Management services company	100	100
East London Property Investment Fund Ltd	Dormant company	100	100
Enterprise London Ltd	Dormant company	100	100
Newable Business Villages Ltd	Dormant company	100	100
Newable Lending for Growth Limited	Dormant company	100	100
PIF GP No 5 Limited	Dormant company	100	100
PIF GP No 6 Limited	Dormant company	100	100

The above entities have a registered address of 140 Aldersgate Street, London, EC1A 4HY.

17. Assets and liabilities classified as held for sale

In November 2015, the Group decided to withdraw from the cash flow financing business and sell its subsidiary, IGF Invoice Finance Limited. This decision was a reflection of the Group's strategy of pursuing structural change and allowing it to focus on building a wider range of business services. The sale of the subsidiary completed on 11 April 2016. As such, IGF Invoice Finance Limited has been disclosed in the prior year balance sheet as assets and liabilities classified as held for sale. These comprise the following:

Current Assets

	2017 £000	2016 £000
Property plant and equipment	-	76
Trade and other receivables	-	14,765
Cash and cash equivalents	-	2,144
	-	16,985

Current Liabilities

	2017 £000	2016 £000
Trade and other payables	-	2,211
Loans and borrowings	-	10,601
Other payables	-	(3)
	-	12,809

18. Available for sale investments

	£000
At 1 April 2015	3,857
Additions	51
Disposals	(362)
Revaluation	(394)
At 31 March 2016	**3,152**
Additions	62
Disposals	(17)
Revaluation	(99)
At 31 March 2017	**3,098**

	2017 £000	2016 £000
Equity securities (quoted)	615	708
Managed funds (unquoted)	2,483	2,444
	3,098	3,152

The fair value of quoted securities is based on published market prices at year-end. The fair values of the unquoted securities are valued in accordance with valuations where available. Where market valuations are not available, an alternative valuation methodology is used. For example, in accordance with the British Venture Capital Association Guidelines, where the range of fair values derived by applying a valuation model is significant and the probabilities of the various estimates cannot be reasonably assessed, the investment is carried at cost. A fair value hierarchy of 1 is attributed to the quoted securities. A fair value hierarchy of 3 is attributed to the unquoted managed funds, as there are a significant number of unobservable inputs used to determine the fair value of unquoted securities. Changes in levels are analysed at each reporting date by the Board of Directors.

19. Financial instruments and financial risk

Financial instrument assets

	2017 £000	2016 £000
Available for sale investments	3,098	3,152
Loan receivables	4,787	4,379
	7,885	7,531

At year-end, the provision included in the above receivables was £2.363m (2016: £1,331m). The provision was increased by £448,334 (2016: £508,444). It should be noted one of the subsidiaries has a grant in place for all loan losses incurred and thus the company does not expense movements in the loan provision, rather this is netted against the grant.

19. Financial instruments and financial risk (continued)

Interest rate risk: The Group's borrowings are principally at a margin over LIBOR thus exposing the Group to cash flow interest rate risk. The Group's policy is to ensure the margin is competitive when compared to other banks and to give consideration to hedging to reduce exposure to this risk.

Credit risk: Newable LLF Limited, one of the Group's Business Loans operating companies which started operations in March 2014, has also advanced loans to SMEs in London via its London Loan Fund. As at 31 March 2017, £4.2 million had been advanced to London based SMEs and no further advances are due to be made. This lending also exposes the Group to the risk that these amounts may not be recoverable. This risk is mitigated by controls around the client take-on assessment process and on-going monitoring procedures. In addition, Newable LLF Limited has a guarantee in place from funding partners that can offset up to 76% of bad debts that may be incurred.

Liquidity risk: The Group is exposed to liquidity risk, as sufficient funds are required to support trading, investing and financing activities. The Group regularly monitors the liquidity position to ensure that sufficient funds are available to meet both current and future requirements. Liquidity management includes managing the Group's working capital and borrowings. The Group's borrowings are the subject of a number of financial covenants which the Directors regularly monitor to ensure both current and future compliance. The Group's £25 million revolving loan facility with Lloyds Bank is due to run until June 2018. Negotiations are due to commence shortly on the negotiation of the renewal of the facility in June 2018. The directors are confident that the facility will be renewed on the same or similar terms. The Directors are therefore confident that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Fair value risk: The Group has a number of holdings in available-for-sale investments which expose the Group to fair value risk. This risk is mitigated both by the Group's due diligence procedures that it undertakes prior to entering into an investment and its ongoing monitoring procedures.

In accordance with IFRS 7, the following table shows the principal repayments of the Group:

	Due in 2018 £000	**Due in 2019 £000**	**Due in 2020 £000**	**Total £000**
Bank loans	2,482	8,881	663	12,026
Overdraft	38	-	-	38
At 31 March 2017	2,520	8,881	663	12,064

	Due in 2017 £000	**Due in 2018 £000**	**Due in 2019 £000**	**Total £000**
Bank loans	1,250	2,481	2,544	6,275
Overdraft	3,913	-	-	3,913
At 31 March 2016	5,163	2,481	2,544	10,188

19. Financial instruments and financial risk (continued)

In accordance with IFRS 7, the following table shows the principal receivables of the Group:

	Due in less than one year 2017 £000	Due in more than one year 2017 £000	Total 2017 £000
Trade receivables	877	-	877
Loan receivables	2,230	2,557	4,787
At 31 March 2017	3,107	2,557	5,664

	Due in less than one year 2016 £000	Due in more than one year 2016 £000	Total 2016 £000
Trade receivables	1,075	-	1,075
Loan receivables	2,904	1,475	4,379
At 31 March 2016	3,979	1,475	5,454

The Group has used a sensitivity analysis technique that measures the estimated change in fair value of the Group's financial instruments to both the Income Statement and equity of an instantaneous increase or decrease of 1% in market interest rates. This exercise has been performed purely for illustrative purposes as, in practice, these changes rarely occur in isolation. In preparing this analysis, it has been assumed that changes in market interest rates affect the interest payable or receivable on floating rate financial instruments. The Group has in place an interest hedge against interest rate increases on £4.5m of its borrowings which reduces the impact of any market interest rate rises.

	1% decrease in market interest rate £000	1% increase in market interest rate £000
At 31 March 2017		
Impact on Income Statement	25	(76)

The amounts generated from the sensitivity analysis are estimates of the impact of market risk assuming that the specified changes occur. Clearly, developments in global markets may cause the actual changes to differ significantly from the changes specified above. Therefore, this analysis should not be considered a projection of likely future events and losses. The sensitivities above exclude any potential impact on the Group's retirement benefit obligations.

19. Financial instruments and financial risk (continued)

Capital structure

The Group manages its bank loans and equity as capital. The Group's principal objective is to ensure that the Group has sufficient capital to fund its operations. In developing business plans, management consider the likely capital requirements and how to fund these requirements. Additional capital is funded by using the least cost source at the time of fund raising. At 31 March 2017, the Group's capital can be summarised as follows:

	2017 £000	2016 £000
Bank loans	12,026	6,275
Members contribution	1,300	1,300
	13,326	5,050

Externally imposed capital requirements are represented by a number of operational and financial covenants on the bank loans, all of which the Group comfortably operates within. The maximum amount of credit risk that the Group is exposed to is in respect of its total trade and other receivables. Within a subsidiary company there was a breach in the banking covenant which was subsequently waived by the respective bank with no consequences arising as a result of this breach.

20. Development properties

	2017 £000	2016 £000
Development properties	10,283	7,707

Included within the carrying value of development properties is capitalised interest of £170,100 (2016: £81,810). As at 31 March 2017 the Group held a provision of £nil (2016: £2.3m) against the carrying value of development properties.

21. Trade and other receivables

	2017 £000	2016 £000
Current		
Trade receivables	877	1,075
Loan receivables	2,230	2,904
Other receivables	2,168	568
Other taxes	382	-
Prepayments and accrued income	4,724	4,523
	10,381	9,070

22. Cash and cash equivalents

	2017 £000	2016 £000
Short term bank deposits	1,382	3,697
Cash at bank	3,876	7,071
Balance as shown on Group Statement of Financial Position	5,258	10,768
Overdrafts	(38)	(3,913)
Balance as shown on Group Cash Flow Statement	5,220	6,855

23. Trade and other payables

	2017 £000	2016 £000
Current		
Trade payables	1,806	998
Other taxes	-	272
Corporation tax	805	845
Accruals and deferred income	5,033	4,099
Other payables	3,343	6,252
	10,987	12,466

Other payables include an amount of £156,000 (2016: £397,000) which represents funding received from the London Boroughs of Wandsworth and Merton. The purpose of this funding is to assist the Group's Business Loans' activities to advance loans to SMEs based in Wandsworth and Merton of £800,000 and £600,000 respectively.

24. Provisions

The movement on provisions is as shown below:

	2017 £000	2016 £000
At 1 April	92	77
Increase in the year	894	15
Release in the year	(75)	-
At 31 March	911	92

Amounts provided for at 31 March 2017 comprised a lease provision of £894,000 (2016: £nil), potential litigation of £17,000 (2016: £17,000) and dilapidations of £nil (2016: £75,000). During the year, there was a charge of £894,000 for the lease provision and a release of £75,000 for dilapidations.

25. Loans and borrowings

	Current 2017 £000	Non-current 2017 £000	Current 2016 £000	Non-current 2016 £000
Overdrafts	38	-	3,913	-
Bank loans	2,482	9,544	1,250	5,025
	2,520	9,544	5,163	5,025

Bank loans comprise one agreement for a loan facility of £25,000,000, of which £7,000,000 (2016: £nil) was utilised as at 31 March 2017. The borrowing is interest bearing at 2.25% above LIBOR on all balances. The facility is due to expire on 18 June 2018 and is expected to be renegotiated on similar terms to the current facility.

There are three other bank loans. One for £2,500,000 (2016: £3,750,000) is interest bearing at 7.85% above LIBOR on all balances and is in place until 13 March 2019. The other two are both interest bearing at 3.50% above LIBOR comprising amounts £1,200,000 (2016: £1,200,000) until 8 January 2019 and £1,325,000 (2016: £1,325,000) until 2 April 2020.

Borrowings mature as follows:

	2017 £000	2016 £000
Less than one year	2,520	5,163
Two to five years	9,544	5,025
	12,064	10,188

26. Other payables - non-current

	2017 £000	2016 £000
Deferred income and other payables	2,862	2,852
Deferred taxation	1,301	1,042
	4,163	3,894

a) Deferred income and other payables

Deferred income and other payables comprise monies received and held within separate funds known as the Endowment Fund and the London Seed Capital Fund, part of the Yorkshire Group (Holdings) Limited acquisition. These grant aided co-investment funds provide risk capital to small and medium sized companies. Funding assistance is provided to the Group by way of a grant. The grant received is credited to the Fund and the eligible investment is included within available-for-sale investments. Capital losses arising on these investments are deducted from the relevant Fund. The income arising from these investments is credited to the Group Income Statement.

b) Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 18% (2016: 18%). The movement on the deferred tax account is as shown below:

26. Other payables – non-current (continued)

b) Deferred taxation (continued)

	2017	2016
	£000	£000
Deferred tax asset at 1 April	(800)	(158)
Deferred tax liability at 1 April	1,042	1,921
At 1 April	242	1,763
Profit and loss charge/(credit)	277	(915)
Other comprehensive income	(86)	-
Transfer on disposal of discontinued operations	-	24
At 31 March	433	872
Deferred tax asset at 1 April	(868)	(800)
Deferred tax liability at 1 April	1,301	1,042
Net deferred tax liability at 31 March	433	242

Deferred tax assets have been recognised in respect of all such tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered.

Details of the deferred tax liability, amounts charged/(credited) to the Group Income Statement and amounts charged/(credited) to Reserves are as follows:

	Liability/ (Asset) 2017	Charged/(credited) to Income 2017	Charged/(credited) to Reserves 2017
	£000	£000	£000
Property, plant and equipment and intangible assets	102	(162)	-
Other temporary differences	417	525	(86)
Provision	(86)	(86)	-
Total deferred taxation	433	277	(86)

	Liability/ (Asset) 2016	Charged/(credited) to Income 2016	Charged/(credited) to Reserves 2016
	£000	£000	£000
Property, plant and equipment	(36)	34	-
Other temporary differences	(108)	370	-
Property fair value gains	1,028	(1,300)	-
Available losses	(12)	(19)	-
	872	(915)	-
Amount in respect of pension liability	(630)	-	151
Total deferred taxation	242	(915)	151

26. Other payables – non-current (continued)

b) Deferred taxation (continued)

Deferred tax assets are only recognised in relation to tax losses and other temporary differences, which would give rise to deferred tax assets where it is considered probable that the losses will be utilised in the foreseeable future, and therefore the asset is recoverable. No deferred tax is recognised in relation to unused brought forward tax losses totaling £395,707 (2016: £492,519).

27. Leases

The Group as lessee:

The Group and the Company have financial commitments for the forthcoming year in respect of rentals due under operating leases. The total commitments to make these payments fall due as follows:

	2017 £000	2016 £000
Less than one year	832	459
Two to five years	3,150	1,558
Greater than five years	10,669	7,622
	14,651	9,639

The Group as lessor:

The Group leases out all of its investment properties under operating leases for average terms of 3-5 years to expiry. The future aggregate minimum rental recoverable under non-cancellable operating leases is as follows:

	2017 £000	2016 £000
Less than one year	4,005	2,668
Two to five years	7,010	4,079
Greater than five years	4,258	1,523
	15,273	8,270

28. Contingent liabilities

From time to time and in the normal course of business, claims against the Company and/or Group may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

29. Members' contributions

The Company is limited by guarantee and has no share capital. The £1,300,000 Members' contributions represent amounts received from the original 13 London borough councils, being the original ordinary members. These contributions are repayable only out of the assets of the Company available on a winding-up. In the event of a winding-up, the first £13,000,000 (plus 5% compound interest thereon from 13 November 1997, being the date of adoption of the new Memorandum and Articles of Association) is to be shared equally amongst the original ordinary members. Any surplus above this amount is to be shared equally amongst the original ordinary members and the new ordinary members.

Private members have no right to participate in the income and assets of the Company.

30. Related party transactions

The Group held a 5% equity stake in Pocket Living Limited ("Pocket"), the award-winning private developer of intermediate housing in London Pocket, together with a loan made to Pocket with an option to convert the loan to an additional 5% equity stake until January 2016 when the equity was sold and the loan repaid. The total cost of investment in Pocket by the Group was £1,079,000 and the profit on disposal to a third party of £0.6m.

Martin Large, the Group's CEO until his resignation on 30 November 2015, sat on the board of Pocket Living Limited to represent the Group's interest. The Group received £7,000 for his services during the prior year.

In November 2016, the Company entered into a joint venture agreement with Liberis, a member of the Blenheim Chalcot Group, which uses effective, innovative decision systems to provide short-term working capital loans to a variety of SMEs. The loans and associated repayments are based on revenue generated from credit and debit card sales of which a certain agreed percentage is used to repay the loan. Liberis has provided over £120 million of lending to over 3,500 small businesses since its inception in 2007 with a loan range of £2,500 - £300,000.

The joint venture agreement committed the Company to launching a new loan business branded 'Newable Business Finance' providing unsecured loans to small businesses of between £25,000 and £150,000 for periods of up to 5 years. This new business is operated by Newable Business Finance Limited, which is jointly owned by the Company and Liberis on a 50:50 basis. The Company and Liberis have the right, under the joint venture agreement, and have each appointed, two directors to the Board of Newable Business Finance Ltd.

This new business was launched in late January 2017 and by 31 March 2017 had lent some £1.4 million to smaller businesses. Business activity levels continue to meet and exceed the Company's initial planning and expectations.

Due to the 50:50 shareholder structure, Newable Business Finance Limited is not consolidated into the Company's financial statements but instead is accounted for as a joint venture with the Company's share of the results of Newable Business Finance Ltd being separately disclosed in the Company's financial statements as a 'share of post-tax losses of equity accounted joint ventures' in the Group Income Statement and 'as losses from equity accounted joint venture' in the Group Statement of Financial Position.

30. Related party transactions (continued)

During the year the Group entered into the following related party transactions:

	Services provided		Services received	
	2017	2016	2017	2016
	£000	£000	£000	£000
Newable Business Finance Limited	-	-	168	-
Pocket Living Limited	-	7	-	-
	-	7	168	7

	Amounts owed by related parties		Amounts owed to related parties	
	2017	2016	2017	2016
	£000	£000	£000	£000
Newable Business Finance Limited	1,629	-	(6)	-

Details of compensation to key management personnel (the directors) are disclosed in the emoluments table in the Remuneration and Personnel Committee Review (page 20).

31. Post balance sheet events

On 1 April 2017, the Company completed the acquisition of Angel Capital Group Ltd, a company trading as 'London Business Angels' ("LBA") for an initial purchase price of £385,000, rising to £550,000 if certain revenue forecasts are achieved over two years.

LBA was established in 2009 and specialises in matching Angel investors with new / early stage businesses requiring investment. It has developed an extensive investor network of around 500 Angels, meets approximately 1,500 start-ups each year, and presents around 60 of these to their Angel network each year. LBA also raises EIS funds to co-invest alongside Angel investors.

LBA generates revenue from three principal sources – charging fees for raising, deploying and monitoring EIS / SEIS funds; success fees earned when Angels or the LBA funds make equity investments; and sponsorship revenues. For the twelve months to 31 March 2017, LBA generated revenues of £470,000 and profitability of approximately £75,000.

The acquisition of LBA is part of the Company's developing strategy to develop its equity business in the Angel/Start up sector and providing larger development capital. The LBA acquisition represents an attractive opportunity to deliver the first stage of this strategy.

32. Capital Commitments

The Company has committed to an investment of £1 million in the Seraphim Space Fund ("the Fund"). The Fund is a venture capital fund focusing primarily on space technology related businesses. This capital commitment will be drawn down over a five-year period to, and including, the year ending 31 March 2022.

NEWABLE LIMITED (FORMERLY GREATER LONDON ENTERPRISE LIMITED)
Company Balance Sheet
At 31 March 2017

Company Number: 01653116

	Note	2017	2016
		£000	£000
Non-current assets			
Investments	2	17,979	17,949
Amounts falling due after more than one year	3	100	100
		18,079	18,049
Current assets			
Debtors			
Amounts falling due within one year	3	2,482	1,879
Cash at bank		1	1
		2,483	1,880
Creditors: amounts falling due within one year	4	(6,015)	(4,794)
Net current liabilities		(3,532)	(2,914)
Net assets less current liabilities excluding pension liability		14,547	15,135
Net pension liability		(3,496)	(2,868)
Net Assets		11,051	12,267
Capital and reserves			
Members' contributions	5	1,300	1,300
Accumulated funds		9,751	10,967
Members' funds: equity interests	6	11,051	12,267

The financial statements on pages 64 to 68 were approved and authorised for issue by the Board of Directors on 18 July 2017 and were signed on its behalf by:

M B Walsh
Director

The Company is not publishing a separate statement of financial performance as permitted by section 408 of the Companies Act 2006. The loss for the financial year dealt within the Group financial statements was £1,215,774 (2016: profit of £9,178,140).

The notes on pages 65 to 68 form part of these financial statements.

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the year and preceding year.

The financial statements are presented in sterling, which is also the functional currency of the Company and amounts are rounded to the nearest £1,000.

The financial statements of Newable Limited as a standalone entity have been prepared on the going concern basis following receipt of confirmation from the entity's subsidiary undertaking to whom it owes money that they will not seek repayment until the company is in a financial position to repay such amounts.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Greater London Enterprise Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Greater London Enterprise Limited. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less any provisions where, in the opinion of the Directors, there has been impairment in the value of any such investment.

1. Accounting policies (continued)

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Balance Sheet differs to its tax base, except for differences arising on:

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Cash flow statement

The Company has taken advantage of the exemption conferred by FRS 101 not to prepare a cash flow statement on the basis that the Company's results are included in its own published consolidated financial statements.

Related party transactions

The Company has taken advantage of paragraph 8(k) of FRS 101 not to disclose transactions with its wholly owned subsidiaries.

Defined benefit scheme

The amounts charged to the income and expenditure account are the current service charge costs, gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised in the income and expenditure account if the benefits are vested. If the benefits have not vested immediately the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount within either interest payable or receivable. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return of a high quality corporate bond and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each Balance Sheet date. The resulting defined asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the Balance Sheet.

1. Accounting policies (continued)

Defined benefit scheme (continued)

The assumptions in relation to the pension scheme are included in the Consolidated Financial Statements (see note 10).

2. Investments

	2017 £000	2016 £000
Investment in subsidiary undertakings		
Cost and Net Book Value at 1 April	17,911	9,431
Additions	-	8,480
	17,911	17,911

Additions are due to capital contributions from the forgiveness of debt.

	2017 £000	2016 £000
Other investments		
Net Book Value at 1 April	38	802
Additions	62	40
Disposals	(13)	(362)
Revaluation	-	2
Movement on provision	(19)	(444)
Net Book Value at 31 March	68	38
Total investments	17,979	17,949

The Company's principal subsidiaries are listed in note 16 of the Consolidated Financial Statements.

3. Debtors

	2017 £000	2016 £000
Current		
Corporation tax	1	-
Other debtors	114	113
Prepayments	541	-
Amounts due from subsidiary undertakings	1,826	1,766
	2,482	1,879
Non-current		
Other debtors	100	100

4. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Corporation tax	-	32
Other creditors	156	397
Accruals	893	-
Amounts owed to subsidiary undertakings	4,966	4,365
	6,015	4,794

Other creditors represent funding received from the London Boroughs of Wandsworth and Merton. The purpose of this funding is to assist the Group's Business Loans' activities to advance loans to SMEs based in Wandsworth and Merton of £800,000 and £600,000 respectively.

5. Members' contributions

The Company is limited by guarantee and has no share capital. The £1,300,000 Members' contributions represent amounts received from the original 13 London borough councils, being the original ordinary members. These contributions are repayable only out of the assets of the Company available on a winding-up. In the event of a winding-up, the first £13,000,000 (plus 5% compound interest thereon from 13 November 1997, being the date of adoption of the new Memorandum and Articles of Association) is to be shared equally amongst the original ordinary members. Any surplus above this amount is to be shared equally amongst the original ordinary members and the new ordinary members.

Private members have no right to participate in the income and assets of the Company.

6. Reconciliation of movements in members' funds

	2017	2016
	£000	£000
At 1 April	12,267	3,088
(Loss)/profit for the year	(1,216)	9,179
At 31 March	11,051	12,267

7. Capital Commitments

The Company has committed to an investment of £1 million in the Seraphim Space Fund ("the Fund"). The Fund is a venture capital fund focusing primarily on space technology related businesses. This capital commitment will be drawn down over a five-year period to, and including, the year ending 31 March 2022.