REGISTERED NUMBER: 05204672

INVESTORS IN PRIVATE CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

INVESTORS IN PRIVATE CAPITAL LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors:	J A Reuben S A J Nahum E M Sawyer
Registered office:	73 Cornhill London EC3V 3QQ
Business address:	4th Floor Millbank Tower 21-24 Millbank London SW1P 4QP
Registered number:	05204672
Auditors:	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

Review of business

The directors present their strategic report for the year ended 31 December 2022.

The financial statements of the Group for the year ended 31 December 2022 present the results and the financial position of the Group for the year commencing 1 January 2022. The comparative figures present the results of the Group for the year from 1 January 2021 to 31 December.

Revenue is derived from the management of leased properties, which are predominantly public houses.

The results for the Group for the year are shown in the Consolidated Statement of Comprehensive Income on page 12.

Rent income for the Group has increased by 42% to £33.1m (2021: £23.2m), substantially driven by the performance of the additional residential conversions that reached practical completion in the year.

Since the end of Q1 2022, real estate markets in the United Kingdom have been increasingly challenged by geopolitical events, macro-economic issues and the associated responses. The effect of significant rise in interest rates, inflation and the cost-of-living crisis have resulted in a negative impact on capital values. Given the continuing uncertain market conditions, the Group decided to review and adjust its rental yields across all segments within its portfolio. As a result, this has led to a fall in valuation of 6.3% to £560m (2021: £598m).

The financial position of the Group is set out in the Consolidated Balance Sheet on page 13.

The net decrease in cash for the year of £11.3m is mainly attributable to fewer property disposals that generated proceeds of £4.4m (2021: £9.7m), and the continued reinvestment of cash into current and future development projects.

Where a pub becomes vacant, an assessment is made of the site with a view to obtaining the optimum shareholder return either through the generation of rental income or capital appreciation. The Group undertakes a comprehensive review including an assessment of alternative use or disposal, if deemed appropriate. There are a small number of sites in the portfolio that were considered within this framework in the year, some of which have received planning permission and others that were disposed of where an appropriate offer was received. During the year, in accordance with this strategy, six pubs were disposed generating a net loss of £0.7m (2021: £0.3m gain).

Development and performance

The Group lets premises to customers on normal credit terms. Trade debtor balances are monitored on an ongoing basis and credit terms for all customers are regularly reviewed. In recent years, where the Group has experienced difficulties in collecting payment from its debtors a provision for doubtful debts has been made in the accounts.

Promoting success of the Group

The directors have continued with a pipeline of developments within the property portfolio that will create value in the long-term. Development expenditure for the year totalled £14m (2021: £16.2m).

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

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

Key performance indicators
The Group sees the capital appreciation of its investment properties and rental income as its key performance indicators (KPIs). These KPIs allow the Group to monitor the performance of its financial model as well as its wider responsibilities to its shareholders.

The Group uses rental yield as a measurement to indicate the rate of return from the investment portfolio. Rental yield is based on consolidated rental income expressed as a percentage over the investment property values as disclosed in the financial statements. For the year ended 31 December 2022, investment properties were valued at £560m (2021: £598m) and the rental income was £33.1m. The rental yield of 5.9% in an increase of 0.6% to last year (2021: 5.3%, excluding rent concessions).

The Group reviews its trade debt position on a weekly and monthly basis to effectively manage the credit risk and have installed a number of debt collection metrics. For the year ended 31 December 2022, trade debt was £4.9m which is a £2m reduction to last year (2021: £6.9m).

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

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

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

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

On behalf of the board:

....
E M Sawyer - Director

Date: 28/9/2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the Group and the group for the year ended 31 December 2022.

Principal activity
The principal activity of the group in the year under review was that of managing leased properties and property investment.

Dividends
No dividends will be distributed for the year ended 31 December 2022.

Directors
The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

J A Reuben
S A J Nahum
E M Sawyer

Other changes in directors holding office are as follows:

M R Turner - resigned 6 October 2022

Political donations and expenditure
During the year, the Company made political donations for the sum of £85,320 (2021: £125,000).

Directors' responsibilities statement
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

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

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

Auditors
In accordance with the company's articles, a resolution proposing that the auditors, Gerald Edelman LLP, be reappointed as auditor of the Group will be put at a General Meeting.

On behalf of the board:

Sawyer
....
E M Sawyer - Director

Date: ......28/9/2023......

Opinion

We have audited the financial statements of Investors in Private Capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our application of materiality

Materiality for the group has been calculated at 1.5% of the group's gross assets. The reason for calculating materiality on the parameter of gross assets is that the group is primarily asset based with significant investment properties and turnover is based on investment properties being rented, We have used lower percentages to calculate materiality due to external stake-holder interest a group company has bonds listed on London Stock Exchange. Therefore, to follow a risk based approach and considering the various other risk factors we have considered the materiality level as appropriate

Key audit matters

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

Valuation, ownership & existence of the investment properties

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

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

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

Completeness of debts

Risk
The group has bonds listed on the London Stock Exchange. The risk is that the debt and associated interest on the bonds are not materially misstated in the financial statements.

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

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

Management Override of Controls

Risk
There is a risk of fraud through management bias and override of controls.

Our Response
We have assessed the risks by performing the following work;

- Reviewed large and unusual bank transactions made and determined if transactions were in line with our understanding of the business
- Testing journal entries to identify unusual transactions.
- Reviewed significant accounting estimates in the accounts

Recoverability of Trade Debtors

Risk
The group's revenue is predominantly from the management of leased properties, which are principally public houses. Post the coronavirus outbreak from March 2020 and the enforced closure of all public houses by the government, public houses have struggled with cash flow even after the pandemic and due to increased energy costs which then gives rise to risk over the recoverability of trade debtors at the year end.

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

Revenue Recognition

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

Our Responses
We have assessed this risk by performing the following audit procedures;
- To test completeness, we selected properties on a sample basis from the client provided investment property schedule and obtained all lease documentation to recalculate amounts to compare to accounts and investigated any differences.
- To test occurrence, we selected properties on a sample basis from the schedule of rental income in the accounts and obtained all lease documentation to recalculate amounts to compare to accounts and investigated any differences.
- As we have recalculated the amount that should be included in the current year, and compared to amounts included in the accounts, we have assurance over the cut off of the revenue.
- We have identified any leases with rent review and/or concessions and agreed them to supporting schedules and signed documents.

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

In our opinion, based on the work undertaken in the course of our audit:
- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on pages five and six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud
Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2022.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

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

Audit response to risks identified

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

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

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

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

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

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Stephen P. Coleman

Stephen Coleman ACA (Senior Statutory Auditor)
Gerald Edelman LLP Gerald Edelman LLP
73 Cornhill
London
EC3V 3QQ

Date: 29.09.2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	33,107	23,244
Administrative expenses		(6,169)	(7,205)
		26,938	16,039
Other operating income	4	118	595
Gain/loss on revaluation of investment property		(52,559)	33,176
Operating (loss)/profit	6	(25,503)	49,810
(Loss)/profit on sale of investment properties	7	(782)	334
		(26,285)	50,144
Interest receivable and similar income	8	3,281	3,327
		(23,004)	53,471
Interest payable and similar expenses	9	(15,655)	(13,260)
(Loss)/profit for the financial year		(38,659)	40,211
Tax on (loss)/profit	10	9,600	(21,348)
(Loss)/profit for the financial year		(29,059)	18,863
Other comprehensive income		-	-
Total comprehensive income for the year		(29,059)	18,863

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

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

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	12		(481)		(561)
Tangible assets	13		2		1
Investments	14		25		25
Investment property	15		559,977		598,462
			559,523		597,927
Current assets					
Debtors	16	7,659		9,415	
Cash at bank		23,138		34,481	
		30,797		43,896	
Creditors					
Amounts falling due within one year	17	(34,355)		(33,809)	
Net current (liabilities)/assets			(3,558)		10,087
Total assets less current liabilities			555,965		608,014
Creditors					
Amounts falling due after more than one year	18		(281,769)		(291,588)
Provisions for liabilities	22		(42,145)		(55,316)
Net assets			232,051		261,110
Capital and reserves					
Called up share capital	23		1		1
Retained earnings			232,050		261,109
			232,051		261,110

The financial statements were approved by the Board of Directors and authorised for issue on ...28/9/2023... and were signed on its behalf by:

....

E M Sawyer - Director

COMPANY BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		202,812		224,873
Investment property	15		-		-
			202,812		224,873
Current assets					
Debtors	16	21,372		18,220	
Cash at bank		108		1,838	
		21,480		20,058	
Creditors					
Amounts falling due within one year	17	(25,729)		(25,996)	
Net current liabilities			(4,249)		(5,938)
Total assets less current liabilities			198,563		218,935
Creditors					
Amounts falling due after more than one year	18		(246,023)		(260,029)
Net liabilities			(47,460)		(41,094)
Capital and reserves					
Called up share capital	23		1		1
Retained earnings			(47,461)		(41,095)
			47,460)		(41,094)
Company's loss for the financial year			(6,366)		(3,244)

The financial statements were approved by the Board of Directors and authorised for issue on ....28/9/2023.......... and were signed on its behalf by:

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	1	242,246	242,247
Changes in equity			
Total comprehensive income	-	18,863	18,863
Balance at 31 December 2021	1	261,109	261,110
Changes in equity			
Total comprehensive income	-	(29,059)	(29,059)
Balance at 31 December 2022	1	232,050	232,051

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	1	(37,851)	(37,850)
Changes in equity			
Total comprehensive income	-	(3,244)	(3,244)
Balance at 31 December 2021	1	(41,095)	(41,094)
Changes in equity			
Total comprehensive income	-	(6,366)	(6,366)
Balance at 31 December 2022	1	(47,461)	(47,460)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	1	26,362	27,436
Interest paid		(15,655)	(13,260)
Tax paid		(2,000)	-
Net cash from operating activities		8,707	14,176
Cash flows from investing activities			
Purchase of tangible fixed assets		(2)	(1)
Purchase of investment property		(18,487)	(16,246)
Sale of investment property		4,413	9,287
Interest received		3,281	3,327
Net cash from investing activities		(10,795)	(3,633)
Cash flows from financing activities			
New loans in year		3,766	-
Net cash movement on bonds		(13,021)	(22,005)
Net cash from financing activities		(9,255)	(22,005)
Decrease in cash and cash equivalents		(11,343)	(11,462)
Cash and cash equivalents at beginning of year	2	34,481	45,943
Cash and cash equivalents at end of year	2	23,138	34,481

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £'000	2021 £'000
(Loss)/profit before taxation	(38,659)	40,211
Depreciation charges	1	4
Loss/(gain) on revaluation of fixed assets	52,559	(33,176)
Amortisation of goodwill	(80)	(80)
Finance costs	15,655	13,260
Finance income	(3,281)	(3,327)
	26,195	16,892
Decrease in trade and other debtors	1,756	12,658
Decrease in trade and other creditors	(1,589)	(2,114)
Cash generated from operations	26,362	27,436

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31/12/22 £'000	1/1/22 £'000
Cash and cash equivalents	23,138	34,481

Year ended 31 December 2021

	31/12/21 £'000	1/1/21 £'000
Cash and cash equivalents	34,481	45,943

3. Analysis of changes in net debt

	At 1/1/22 £'000	Cash flow £'000	At 31/12/22 £'000
Net cash			
Cash at bank	34,481	(11,343)	23,138
	34,481	(11,343)	23,138
Debt			
Debts falling due within 1 year	(10,220)	(565)	(10,785)
Debts falling due after 1 year	(291,588)	7,940	(283,648)
	(301,808)	7,375	(294,433)
Total	(267,327)	(3,968)	(271,295)

1. **Statutory information**

Investors in Private Capital Limited ("the company") is a limited company incorporated in England & Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements
The group consists of Investors in Private Capital Limited and all of its subsidiaries.

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

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

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

As permitted by s408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £6.4m (2021: £3.2m).

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

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

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

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

2.4 Reporting period length
The financial statements of the Group for the period ended 31 December 2022 present the results and the financial position of the Group for the 12 month period commencing 1 January 2022. The comparative figures present the results of the Group for the year from 1 January 2021 to 31 December 2021.

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

2.6 Intangible fixed assets
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in Intangible fixed assets. Negative goodwill arises when the consideration paid is less than the fair value of its net identifiable assets of the acquired subsidiary.

Any goodwill recognised in a business combination n, including negative goodwill, is amortised over its estimated useful life of ten years.

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

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

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

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

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

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

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

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

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

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

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount that would have been determined had no impairment loss been recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Business combinations and goodwill arising thereon.
The group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, "Business Combinations".

The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, equity instruments issued and liabilities incurred or assumed in exchange for control of the acquire. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in Intangible fixed assets. Negative goodwill arises when the consideration paid is less than the fair value of its net identifiable assets of the acquired subsidiary.

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

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

Financial instruments are recognised in the group's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.17 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

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

2.20 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Investment properties
The group's investment properties which are properties held to earn rentals and/or capital appreciation are measured using the fair value model and stated at their fair values as at the reporting date. The directors have used their experience of the property market and with reference to formal advice from suitably qualified Chartered Surveyors and market evidence of transaction prices of similar properties, have assessed and appropriate value at the year end.

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

Amortisation
Any goodwill recognised in the event of a business combination, including negative goodwill, is amortised over its estimated useful life.

2.20 Key management personnel
The directors consider, in relation to the requirements to disclose the remuneration of key management personnel, that key management comprise the Board of Directors. For details of directors remuneration refer to note 5.

3. Turnover

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2022 £'000	2021 £'000
Rental and other income	33,107	23,244

4. Other operating income

	2022 £'000	2021 £'000
Sundry receipts	118	595

5. Employees and directors

	2022 £'000	2021 £'000
Wages and salaries	1,212	1,127
Social security costs	142	125
Other pension costs	86	91
	1,440	1,343

The average number of employees, including directors, by undertakings that were proportionately consolidated during the year was 23 (2022 - 25).

	2022 £	2021 £
Directors' remuneration	27,500	27,500

6. Operating (loss)/profit

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	2022 £'000	2021 £'000
Other operating leases	220	220
Depreciation - owned assets	1	3
Goodwill amortisation	(80)	(80)
Auditors' remuneration	82	87

7. (Loss)/profit on sale of investment properties

	2022 £'000	2021 £'000
(Loss)/profit on sale of investment properties	(782)	334

8. Interest receivable and similar income

	2022 £'000	2021 £'000
Deposit account interest	88	1
Other interest receivable	3,193	3,326
	3,281	3,327

9. Interest payable and similar expenses

	2022 £'000	2021 £'000
Loan interest payable	9,492	6,751
Interest payable	6,163	6,509
	15,655	13,260

10. Taxation

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax	3,571	2,013
Deferred tax	(13,171)	19,335
Tax on profit	(9,600)	21,348

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	(38,659)	40,211
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(7,345)	7,640
Effects of:		
Expenses not deductible for tax purposes	150	13
Income not taxable for tax purposes	(17)	(15)
Effect of change in corporation tax rate	-	13,274
Losses utilised not provided	-	(591)
Other deferred tax not recognised	(2,388)	1,027
Total tax charge	(9,600)	21,348

11. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

12. Intangible fixed assets

Group

	Goodwill £'000
Cost	
At 1 January 2022	
and 31 December 2022	(801)
Amortisation	
At 1 January 2022	(240)
Amortisation for year	(80)
At 31 December 2022	(320)
Net book value	
At 31 December 2022	(481)
At 31 December 2021	(561)

On the 6 December 2018, the group acquired Boostmarket Limited, a 100% subsidiary of the group. The negative goodwill of £801,000 is being amortised evenly over its estimated useful life of ten years.

The company had no intangible fixed assets as at 31 December 2022 or 31 December 2021.

13. Tangible fixed assets

Group

	Plant and machinery £'000	Fixture and fittings £'000	Totals £'000
Cost			
At 1 December 2021	140	20	160
Additions	2	-	2
At 31 December 2022	142	20	162
Depreciation			
At 1 December 2021	139	20	159
Charge for the year	1	-	1
At 31 December 2021	140	20	160
Net book value			
At 31 December 2022	2	-	2
At 31 December 2021	1	-	1

The company had no tangible fixed assets as at 31 December 2022 or 31 December 2021.

14. Fixed asset investments

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Investment in subsidiaries	-	-	167,794	178,793
Listed investments	-	-	34,993	46,080
Unlisted investments	25	25	25	25
	25	25	202,812	224,898

The investment balance of £34.9m (2021: £46.1m) in the company relates to the investment in Wellington Pub Company Plc 'A' and 'B' bonds.

Group	**Unlisted investments £'000**	**Listed investments £'000**	**Totals £'000**
At 1 December 2022 & 31 December 2021	25	-	25
Carrying amount			
At 31 December 2022	25	-	25
At 31 December 2021	25	-	25

Company	**Unlisted investments £'000**	**Listed investments £'000**	**Totals £'000**
Cost			
At 1 January 2022	178,818	46,080	224,898
Impairment to investments	(10,999)	-	(10,999)
Disposals and capital repayments	-	(11,087)	(11,087)
At 31 December 2022	167,819	34,993	202,812
Net book value			
At 31 December 2022	167,819	34,993	202,812
At 31 December 2021	178,793	46,080	224,873

Subsidiaries
Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered Office	Nature of business	Class of shares held	% Held Direct
Wellington Investments Limited	England & Wales	Property management	Ordinary 'A' &' 'B'	100.00
Criterion Asset Management Limited	England & Wales	Property management	Ordinary 'A' &' 'B'	100.00
Wellington Pub Company PLC	England & Wales	Property investment	Ordinary	100.00
Wellesley Capital Investment Limited	England & Wales	Property investment	Ordinary	100.00
Marguerite Properties Limited	England & Wales	Dormant company	Ordinary	100.00
Mary Rose Properties Limited	England & Wales	Property investment	Ordinary	100.00
Boostmarket Limited	England & Wales	Non-trading	Ordinary	100.00

15. **Investment property**

Group

	Total £'000
Cost or valuation	
At 1 January 2022	598,462
Additions	18,487
Disposals	(4,413)
Revaluations	(52,559)
At 31 December 2022	559,977
Net book value	
At 31 December 2022	559,977
At 31 December 2021	598,462

The investment properties within the group were valued at £559.9m (2021: £598.5m). The directors consider this value still valid as at balance sheet date.

The fair value of the investment properties has been arrived on the basis of a valuation carried out by the directors. The valuation method has been kept the same as in prior years.

The company had no investment properties as at 31 December 2022 or 31 December 2021.

16. Debtors

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	4,969	6,917	-	-
Amounts owed by group undertakings	-	-	20,749	17,052
Amounts owed by participating interests	605	605	-	-
Other debtors	861	378	115	71
VAT	3	2	3	2
Prepayments and accrued income	1,217	1,508	505	1,095
	7,655	9,410	21,372	18,220
Amounts falling due after more than one year:				
Deferred Tax	4	5	-	-
Aggregate amounts	7,659	9,415	21,372	18,220

17. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 19)	10,785	10,220	-	-
Trade creditors	206	410	123	71
Amounts owed to group undertakings	-	-	18,432	17,801
Amounts owed to participating interests	5,635	8,134	5,625	8,125
Corporation Tax	4,815	3,245	-	-
Social security and other taxes	930	1,250	-	-
Other creditors	5,304	3,410	1,464	(1)
Accruals and deferred income	6,680	7,140	85	-
	34,355	33,809	25,729	25,996

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Debenture loans (see note 19)	31,980	31,559	-	-
Other loans (see note 19)	249,789	260,029	246,023	260,029
	281,769	291,588	246,023	260,029

19. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Class A secured fixed rate bonds at 6.735%	41,136	39,940	-	-
Class B secured fixed rate bonds at 7.335%	2,213	2,567	-	-
Less: Amortised issue costs	(584)	(728)	-	-
Other borrowings	249,789	260,029	-	260,029
	292,554	301,808	-	260,029
Payable within one year	10,785	10,220	-	-
Payable after one year	281,769	291,588	-	260,029

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

A first fixed charge by way of a mortgage of all estates and other interests of the issuer;
An assignment by way of fixed security of the issuer's right, title, interest and benefit in and to the rental income;
An assignment by way of fixed security of the issuer's right, title, interest and benefit in and to the Assigned Documents;
An assignment by way of fixed security of the issuer's right, title, interest and benefit in and to all amounts from time to time standing to the credit of the bank accounts;
A first floating charge over all the property, assets and undertakings of the issuer.

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

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

During the year, the issuer repaid £8,179,520 (31 December 2021: £7,651,520) of the Class A secured fixed rate bonds and £2,040,000 (31 December 2021: £2,040,000) of the Class B secured fixed rate bonds.

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

20. Leasing agreements

Lessee

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

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Within one year	65	56	-	-
Between two and five years	94	94	-	-
	159	151	-	-

Lessor

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Within one year	32,167	30,674	-	-
Between two and five years	96,484	99,977	-	-
In over five years	114,215	125,435	-	-
	242,866	256,086	-	-

21. Financial instruments

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,438	4,051	20,867	17,163
Equity instruments measured at costless impairment	25	25	34,993	46,054
Carrying amount of financial liabilities				
Measured at amortised cost	303,699	314,994	270,204	286,025

22. Provisions for liabilities

Group

	2022 £'000	2021 £'000
Deferred tax liabilities	42,145	55,316

Deferred taxation

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

	Liabilities		Assets	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Accelerated capital allowances	10,857	10,840	5	5
Investment properties	37,218	49,336	-	-
Losses available against investment property gains	(5,930)	(4,860)	-	-
	42,145	55,316	5	5

The company has no deferred tax assets or liabilities.

23. Called up share capital

	2022 £'000	2021 £'000
Ordinary share capital issued and fully paid		
1,000 Ordinary of £1 each	1	1

24. Pension commitments

Defined contribution schemes

	2022 £'000	2021 £'000
Charge to profit or loss in respect of defined contribution schemes	86	91

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

25. **Related party disclosures**

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

Included within creditors due after more than one year was an amount of £249.8m (2021: £260m) due to Hightower Finance (Jersey) Ltd, which is a company under common control. Interest payable on this loan amounted to £9.8m (2021: £6.9m).

Included within the amounts due from related undertakings is £605,000 (2021: £605,000) due to Wellington Investments Ltd from Aldersgate Investments Limited, a company under common control.

Included within the amounts due to related undertakings is £5.6m (2021: £8.1m) due from Investors in Private Capital Limited to Aldersgate Investments Limited.

Included within the amounts due to related undertakings is £9,575 (2021: £8,825) due from Mary Rose Properties Limited to Aldersgate Investments Limited.

Included in creditors are bonds with a value of £14,352,971 (2021: £12,558,682) owned by Reuben Foundation, a charity whose Trustees include S D Reuben and R D Reuben. Interest of £1,008,565 (2021: £835,305) as recognised on these bonds in the year.

26. **Parent company and controlling party**

The ultimate parent undertaking is Omaha Business Holdings Corp., a company registered in the British Virgin Islands at 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, BVI.