

Company Registration No. 08702521 (England and Wales)

PEEL CHAPEL NO.2 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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PEEL CHAPEL NO.2 LIMITED

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PEEL CHAPEL NO.2 LIMITED

COMPANY INFORMATION

Directors	Peter Hosker LL.B Neil Lees A.C.I.S. Steven Underwood A.C.A Paul Wainscott A.C.I.S. John Whittaker
Secretary	Neil Lees A.C.I.S.
Company number	08702521
Registered office	Peel Dome Intu Trafford Centre Traffordcity Manchester M17 8PL
Auditor	Deloitte LLP Statutory Auditor Manchester United Kingdom
Bankers	The Royal Bank of Scotland plc JP Morgan Europe Limited

PEEL CHAPEL NO.2 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Principal risks and uncertainties

The principal activities of the Company is the holding of listed investments.

Strategy

The strategy of the Company is to maximise the long term capital value of its listed investments.

Results and Financial Position

The Company's results and financial position are set out in the profit and loss account and balance sheet on pages 6 and 7.

As shown in the profit and loss account, turnover for the year totalled £13.612m (2016: £13.126m).

Pre-tax losses have decreased from £28.460m in the previous year to £27.774m in the current year. The current year loss includes £33.656m in respect of a decrease in the value of listed investments (2016: £33.927m increase).

Shareholder's funds' decreased by £27.379m from £163.163m at 31 March 2016 to £135.783m at 31 March 2017. The decrease includes a loss for the financial year of £27.379m (2016: loss of £22.542m). The directors did not recommend the payment of a dividend in either the current or prior year.

At 31 March 2016 the Company had net current liabilities of £146.131m (2016: £146.265m). This included £134m in respect of listed debt (note 8).

The key performance indicator of the business is the value of the investments and share prices are monitored on a daily basis.

Risks and Uncertainties

The principal aim of the Company is to maximise long term returns whilst minimising risks. Responsibility for managing risk is clearly identified and delegated by the directors to specific senior staff.

The directors consider the major item of risk affecting the Company to be fluctuations in the market value of listed investments and the potential impact on ability to repay debt. Share prices are monitored regularly to ensure there is sufficient headroom.

On behalf of the board



Neil Lees A.C.I.S.

Director

27 September 2017

PEEL CHAPEL NO.2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Directors

The directors who held office from 1 April 2016 were as follows:

Peter Hosker LL.B
Neil Lees A.C.I.S.
Steven Underwood A.C.A
Paul Wainscott A.C.I.S.
John Whittaker

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of a final dividend (2016: £nil).

Auditor

Deloitte LLP, are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

The directors have concluded, after making enquiries, they have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

On behalf of the board



Neil Lees A.C.I.S.
Director
27 September 2017

PEEL CHAPEL NO.2 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

PEEL CHAPEL NO.2 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PEEL CHAPEL NO.2 LIMITED

We have audited the financial statements of Peel Chapel No.2 Limited for the year ended 31 March 2017 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cashflows and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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

PEEL CHAPEL NO.2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PEEL CHAPEL NO.2 LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.



Patrick Loftus (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

27 September 2017

PEEL CHAPEL NO.2 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	13,612,432	13,125,832
Revaluation of Listed Investments		(33,655,823)	(33,927,275)
Gross loss		<u>(20,043,391)</u>	<u>(20,801,443)</u>
Administrative expenses		(108,947)	(128,887)
Operating loss	3	<u>(20,152,338)</u>	<u>(20,930,330)</u>
Loss on ordinary activities before interest and taxation		<u>(20,152,338)</u>	<u>(20,930,330)</u>
Interest payable and similar expenses	5	(7,621,811)	(7,529,360)
Loss on ordinary activities before taxation		<u>(27,774,149)</u>	<u>(28,459,690)</u>
Tax credit on loss on ordinary activities	6	394,909	5,917,953
Loss for the financial year attributable to the equity shareholders of the company		<u><u>(27,379,240)</u></u>	<u><u>(22,541,737)</u></u>

All of the above results derive from continuing operations.

There were no other gains or losses than as presented in the above profit and loss account, and accordingly, no separate statement of comprehensive income is presented.

PEEL CHAPEL NO.2 LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	7	281,914,156		310,999,382	
Current assets					
Cash at bank and in hand			936		1,621
Total assets		<u>281,915,092</u>		<u>311,001,003</u>	
Creditors: amounts falling due within one year	8	<u>(146,131,670)</u>	<u>(146,266,722)</u>		
Net current liabilities		(146,131,670)		(146,266,722)	
Total assets less current liabilities		<u>135,783,422</u>		<u>164,734,281</u>	
Provisions for liabilities	9		-		(1,571,619)
Net assets		<u>135,783,422</u>		<u>163,162,662</u>	
Capital and reserves					
Called up share capital	10	120,000,001		120,000,001	
Share premium account		19,447,204		19,447,204	
Profit and loss reserves		<u>(3,663,783)</u>		<u>23,715,457</u>	
Total equity		<u>135,783,422</u>		<u>163,162,662</u>	

The financial statements were approved by the board of directors and authorised for issue on 27 September 2017 and are signed on its behalf by:



Neil Lees A.C.I.S.

Director

Company Registration No. 08702521

PEEL CHAPEL NO.2 LIMITED

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

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 April 2015	120,000,001	19,447,204	46,257,194	185,704,399
Loss and total comprehensive loss for the year	-	-	(22,541,737)	(22,541,737)
Balance at 31 March 2016	120,000,001	19,447,204	23,715,457	163,162,662
Loss and total comprehensive expense for the year	-	-	(27,379,240)	(27,379,240)
Balance at 31 March 2017	120,000,001	19,447,204	(3,663,783)	135,783,422

PEEL CHAPEL NO.2 LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Net cash flows from operating activities	12	4,569,912	13,948,677
Cashflow from investing activities			
Payments to acquire listed investments		(4,570,597)	(13,948,029)
Net cashflow from investing activities		(4,570,597)	(13,948,029)
Net (decrease)/increase in cash and cash equivalents		(685)	648
Cash and cash equivalents at beginning of year		1,621	973
Cash and cash equivalents at end of year		936	1,621

PEEL CHAPEL NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Peel Chapel No.2 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Peel Dome, Intu Trafford Centre, Traffordcity, Manchester, M17 8PL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

Currency

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 £.

1.2 Going concern

The directors have received confirmation that Peel Chapel Group Limited ("Peel"), an intermediate parent company will continue to provide the necessary level of support to enable the company to continue to operate for the foreseeable future not less than 12 months from the date of signing these financial statements. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Turnover

Turnover comprises dividends which are recognised in period. Dividends receivable are recognised when the dividend is declared, net of any finance charges.

1.4 Cash and cash equivalents

Cash and cash equivalents 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.

PEEL CHAPEL NO.2 LIMITED

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

1 Accounting policies

(Continued)

1.5 Financial assets

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

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

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. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

PEEL CHAPEL NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.6 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit and loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

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

PEEL CHAPEL NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.8 Taxation

Current tax, including Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets 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 liabilities or assets are expected to be settled or recovered.

1.9 Related party transactions

In accordance with Section 1A of FRS 102, the company has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings Group Limited group of companies.

1.10 Investments

Listed investments are accounted for using the alternative investment method, whereby the investment is revalued on an annual basis, using market values. Surplus or deficits arising on revaluation are directly to the profit and loss account.

PEEL CHAPEL NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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 if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

3	Operating loss	2017 £	2016 £
	Operating loss for the year is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's financial statements	4,000	4,000
	Fees payable to the company's auditor for non-audit work	1,000	2,000

4 Turnover

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

	2017 £	2016 £
Turnover		
Dividend Income	13,612,432	13,125,832

The total turnover of the company for the year has been wholly undertaken in the United Kingdom.

5	Interest payable and similar expenses	2017 £	2016 £
	Bank charges	60	60
	Interest payable to group undertakings	7,621,751	7,529,300
		7,621,811	7,529,360

PEEL CHAPEL NO.2 LIMITED

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

6	Taxation	2017 £	2016 £
	UK Current tax		
	UK corporation tax on profit for the current year	1,176,335	1,093,517
	Group tax relief	374	-
	Total current tax	1,176,709	1,093,517
	Deferred tax		
	Origination and reversal of timing differences	(1,484,306)	(6,153,161)
	Changes in tax rate	(87,312)	(858,309)
	Total deferred tax	(1,571,618)	(7,011,470)
	Total tax credit	(394,909)	(5,917,953)

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

	2017 £	2016 £
Loss before taxation on continued operations	(27,774,149)	(28,459,690)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax of 20.00% (2016: 20.00%)	(5,554,830)	(5,691,938)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	-	2
Prior year adjustments	374	-
Changes in tax rates	(87,312)	(858,309)
Difference in tax rate on current year deferred tax	261,936	683,685
Changes in recognition of deferred tax	4,984,923	(51,393)
	5,159,921	(226,015)
Tax credit for the year	(394,909)	(5,917,953)

The standard rate of tax applied to reported profit on ordinary activities is 20% (2016: 20%).

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the rate of corporation tax to 17% from 1 April 2020. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts.

PEEL CHAPEL NO.2 LIMITED

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

7 Fixed asset investments

	2017 £	2016 £
Listed investments	281,914,156	310,999,382
Listed investments carrying amount	281,914,156	310,999,382

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Movements in fixed asset investments

	Listed investment £
Cost or valuation	
At 1 April 2016	310,999,382
Additions	4,570,597
Revaluation	(33,655,823)
At 31 March 2017	281,914,156
Carrying amount	
At 31 March 2017	281,914,156
At 31 March 2016	310,999,382

8 Creditors

	Due within one year	
	2017 £	2016 £
Trade creditors	-	14,305
Amounts due to fellow group undertakings	146,114,370	146,232,047
Accruals	17,300	20,370
	146,131,670	146,266,722

£134m (2016: £128m) of the amounts owed to fellow group undertakings above are listed on the Cayman Island stock exchange, however are classified as amounts owed to parent by virtue of the fact that the total £134m (2016: £128m) is owned by the Company's parent. These have a maturity date of 2023 however can be redeemed at any time.

PEEL CHAPEL NO.2 LIMITED

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

9 Provisions for liabilities

	Deferred tax liability £
Deferred tax liability at 1 April 2016	1,571,619
Profit and loss account	(1,571,619)
At 31 March 2017	-

10 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Allotted, called up and fully paid		
120,000,001 ordinary shares of £1 each	120,000,001	120,000,001

11 Reconciliation of operating profit to cash generated by operations

	2017 £	2016 £
Operating loss	(20,152,338)	(20,930,330)
Adjustments for:		
Net changes in fair value of investments	33,655,823	33,927,268
Operating cashflow before movement in working capital	13,503,485	12,996,938
Movements in working capital:		
(Decrease)/increase in creditors	(8,933,573)	951,739
Cash generated from operations	4,569,912	13,948,677

12 Controlling party

The ultimate holding company in the year ended 31 March 2017 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the Billown 1997 Settlement.

The immediate parent company is Peel Holdings Chapel (No. 2) Limited, a company incorporated in the Isle of Man.

The largest group of companies, of which the company is a member, that produces consolidated financial statements is Peel Holdings Group Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated financial statements, is Peel Holdings (IOM) Limited, a company incorporated in the Isle of Man.