

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 9. TAXATION (continued)

A reconciliation of the tax charge is shown below:

	2017 £000	2016 £000
Profit before tax	99,783	112,246
Tax charge at 20% (2016 – 20%) thereon	19,957	22,449
Effects of:		
Revaluation of investment properties	(8,741)	(11,600)
Share of profit of associates	(288)	(220)
Other permanent differences	(1,242)	(930)
Profits from the tax exempt business	(8,791)	(7,725)
Profit on disposal of surplus land	–	(951)
Utilisation of brought forward losses	–	(51)
Movement on other unrecognised deferred tax assets	(478)	(725)
<b>Current year tax charge</b>	<b>417</b>	<b>247</b>
Prior year adjustment	(145)	–
<b>Total tax charge</b>	<b>272</b>	<b>247</b>

At 31 March 2017 the Group has unutilised tax losses of £32.6 million (2016: £32.3 million) available for offset against certain types of future taxable profits. All losses can be carried forward indefinitely.

### 10. ADJUSTED PROFIT

	2017 £000	2016 £000
Profit before tax	99,783	112,246
Gain on revaluation of investment properties – wholly owned	(43,706)	(58,001)
– in associate (net of deferred tax)	(756)	(566)
Change in fair value of interest rate derivatives – Group	(719)	4
– in associate	8	23
Profit on disposal of surplus land	–	(4,754)
Prior period VAT recovery	(328)	–
Acquisition costs written off	296	–
Share of associate acquisition costs written off	63	–
<b>Adjusted profit before tax</b>	<b>54,641</b>	<b>48,952</b>
<b>Tax</b>	<b>(272)</b>	<b>(247)</b>
<b>Adjusted profit after tax</b>	<b>54,369</b>	<b>48,705</b>

Adjusted profit before tax which excludes gains and losses on the revaluation of investment properties, changes in fair value of interest rate derivatives, net gains and losses on surplus land, and non-recurring items of income and expenditure have been disclosed to give a clearer understanding of the Group's underlying trading performance.