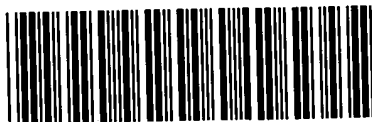


Financial Statements Pera International

For the Year Ended 31 March 2016

Registered number: 00412652

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Pera International
Registered number:00412652
(A company limited by guarantee)

Company Information

Directors	P R Hughes M H Lewis R J Whysall
Company secretary	Mrs L Gibson
Registered number	00412652
Registered office	Pera Business Park Nottingham Road Melton Mowbray Leicestershire LE13 0PB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH
General manager	P T Davies CBE

Pera International
Registered number:00412652
(A company limited by guarantee)

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Group Strategic Report

For the Year Ended 31 March 2016

Principal activities

The principal activity of the company during the period was scientific research and development. The principal activities of the company's subsidiaries are primarily investment property management as well as other commercial activities.

Business review

Pera International continues as a membership-based company limited by guarantee as it has existed since its creation in 1946. It continues with its original purpose to support business innovation, primarily in companies in manufacturing sectors, by supporting research and development for new strategies, new products and improved production techniques.

In last year's review the Board reported that nearly 900 small and medium sized enterprises (SMEs) had been assisted to develop an innovation strategy. To deliver this service over the previous three years Pera International had partnered with the delivery organisations in the Business Growth Service, particularly Pera Consulting (UK) Ltd. In the Autumn of 2015 the Government announced, unexpectedly, the early termination of this national service and so any resurgence of Pera International's programme in this area will await clarity on the future environment for small business support.

In 2015/16 Pera International completed its support for its fourth national competition in which SMEs were able to propose new R&D projects. After a selection process the winning concepts were developed and facilitated to apply for additional support funding from national or European governmental schemes, the intention being to make affordable the R&D ambitions of the SMEs that would otherwise be out of reach. This was carried out with the assistance of Pera Technology Ltd.

The Board also continued to give support to major R&D projects whereby companies of all sizes are willing to collaborate together, on common issues of relevance to their manufacturing sector, in a shared research project drawing additional financial support from national programmes or the European Commission's Horizon 20:20 programme of applied research. The research and development was delivered in partnership with the research institutes of Pera Technology Ltd.

Largely due to changes in the national funding for small business support, mentioned above, and changes in how the European Commission selects and funds R&D in small companies, the two companies Pera Technology Ltd and Pera Consulting (UK) Ltd have gone into administration since the end of the 2015/16 report year. The remaining companies resulting from the management buy-out in 2012, Pera Management Service Ltd, and Pera Training have also gone into administration. All the companies were independent of Pera International apart from a 20% shareholding, but there were outstanding loans and trade debts. As a result, whilst some of these companies are continuing to operate on a smaller scale, the Board of Pera International has decided that the 2015/16 accounts should fully provide for its exposure to all these companies, The charge to the group profit and loss is £7,360,000.

Starting in 2015/16 and continuing thereafter the Board has taken a pro-active interest in developing surplus space in its premises in Hampton and Melton Mowbray to be suitable for small businesses to rent either at the business incubation or later growth stage. This important role in the innovation "ecosystem" will be reported on more fully in the next annual report.

Pera International
Registered number:00412652
(A company limited by guarantee)

Group Strategic Report (continued)

For the Year Ended 31 March 2016

Principal risks and uncertainties

Listed Investment Performance - the group hold listed investments, the values of which are subject to potential volatility in performance and this is managed through continued monitoring and review by the directors in conjunction with the external investment managers.

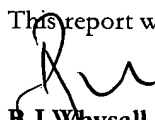
Defined benefit pension - the group hold a defined benefit pension scheme in deficit which is frozen to future service accrual. Movements in the deficit impact on the net asset position of the group. Management of the deficit has been reviewed by the directors with the trustees and a recovery plan agreed.

Property values - the group holds investment property and is therefore subject to volatility in the property market and risk of lost tenants, the latter being mitigated through longer term leases.

Financial key performance indicators

The directors consider net assets and cash flow to be the key financial performance indicators.

This report was approved by the board on 1 December 2016 and signed on its behalf.



R. J. Whysall
Director

Pera International
(A company limited by guarantee)

Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Results and Dividends

The loss for the year, after taxation, amounted to £7,380,000 (2015 - loss £581,000).

Directors

The directors who served during the year were:

P R Hughes

M H Lewis

R J Whysall

Community and the Environment

We recognise that in our day-to-day operations we inevitably impact on the environment and our local community. We strive to minimise detrimental environmental impact and to work with the tenant companies of our premises in Hampton and Melton Mowbray to be a constructive part of the local community.

Section 469 of the Corporation Tax Act 2010

During 2016 the Board reconfirmed its intention that the business of Pera International would continue to have scientific and technological research as its purpose and the Company would be run in such a way that it remained compliant with Section 469 of the Corporation Tax Act 2010 (previously s508 of the 1988 Income and Corporation Taxes Act).

All non-qualifying activities of the Group are conducted through subsidiary companies.

Directors' Report

For the Year Ended 31 March 2016

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the surplus or deficit of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 1 December 2016 and signed on its behalf.



R. J. Whysall
Director

Independent Auditor's Report to the Shareholders of Pera International

We have audited the financial statements of Pera International for the year ended 31 March 2016, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cashflows and the related notes. 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 FRS 102 '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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2016 and of the Group's 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 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.



Independent Auditor's Report to the Shareholders of Pera International

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

Christopher Frostwick (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leicester

1 December 2016

Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2016

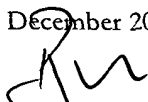
	Note	2016 £000	2015 £000
Turnover	4	1,398	1,365
Cost of sales		(764)	(711)
Gross profit		634	654
Administrative expenses		(637)	(2,064)
Fair value movements - listed investments		(272)	529
Operating loss	5	(275)	(881)
Income from fixed assets investments		-	200
Impairment of loans and investments		(7,360)	-
Interest receivable and similar income		425	359
Other finance costs		(170)	(259)
Loss before taxation		(7,380)	(581)
Loss for the year		(7,380)	(581)
Actuarial losses on defined benefit pension scheme		344	(965)
Other comprehensive income for the year		344	(965)
Total comprehensive income for the year		(7,036)	(1,546)
Owners of the parent Company		(7,036)	(1,546)
		(7,036)	(1,546)

Consolidated Balance Sheet

As at 31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	11	55	85
Investments	12	-	5,766
Investment property	13	6,342	9,540
		<u>6,397</u>	<u>15,391</u>
Current assets			
Stocks	14	1	1
Debtors: amounts falling due within one year	15	609	5,919
Current asset investments	16	7,121	7,376
Cash at bank and in hand	17	7,652	526
		<u>15,383</u>	<u>13,822</u>
Creditors: amounts falling due within one year	18	(481)	(644)
Net current assets		<u>14,902</u>	<u>13,178</u>
Total assets less current liabilities		<u>21,299</u>	<u>28,569</u>
Defined benefit pension scheme liability		(5,022)	(5,256)
Net assets		<u>16,277</u>	<u>23,313</u>
Capital and reserves			
Investment property reserve	20	2,014	3,464
Profit and loss account	20	14,263	19,849
		<u>16,277</u>	<u>23,313</u>
		<u>16,277</u>	<u>23,313</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2016.


R.J. Whysall
 Director

The notes on pages 15 to 32 form part of these financial statements.

Company Balance Sheet

As at 31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	11	20	20
Investments	12	-	9,471
		<u>20</u>	<u>9,491</u>
Current assets			
Stocks	14	1	1
Debtors: amounts falling due within one year	15	7,189	7,693
Current asset investments	16	7,121	7,376
Cash at bank and in hand	17	2,708	256
		<u>17,019</u>	<u>15,326</u>
Creditors: amounts falling due within one year	18	(341)	(63)
Net current assets		<u>16,678</u>	<u>15,263</u>
Total assets less current liabilities		<u>16,698</u>	<u>24,754</u>
 Defined benefit pension scheme liability		 (2,511)	 (2,628)
Net assets		<u>14,187</u>	<u>22,126</u>
Capital and reserves			
Profit and loss account	20	14,187	22,126
		<u>14,187</u>	<u>22,126</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2016.


R J Whysall
 Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2016

	Investment property revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2015	3,464	19,849	23,313
Comprehensive income for the year			
Loss for the year	-	(7,380)	(7,380)
Actuarial gains on pension scheme	-	344	344
Other comprehensive income for the year	-	344	344
Total comprehensive income for the year	-	(7,036)	(7,036)
Transfer from revaluation reserve	-	1,450	1,450
Total transactions with owners	1,450	1,450	-
At 31 March 2016	2,014	14,263	16,277

Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2015

	Investment property revaluation reserve	Retained earnings	Total equity
	£000	£000	£000
At 1 April 2014	3,464	21,395	24,859
Comprehensive income for the year			
Loss for the year	-	(581)	(581)
Actuarial losses on pension scheme	-	(965)	(965)
Other comprehensive income for the year	-	(965)	(965)
Total comprehensive income for the year	-	(1,546)	(1,546)
Total transactions with owners	-	-	-
At 31 March 2015	3,464	19,849	23,313

The notes on pages 15 to 32 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 31 March 2016

	Retained earnings	Total equity
	£000	£000
At 1 April 2015	22,126	22,126
Comprehensive income for the year		
Loss for the year	(8,111)	(8,111)
Actuarial gains on pension scheme	172	172
Other comprehensive income for the year	172	172
Total comprehensive income for the year	(7,939)	(7,939)
Total transactions with owners	-	-
At 31 March 2016	14,187	14,187

Company Statement of Changes in Equity

For the Year Ended 31 March 2015

	Retained earnings	Total equity
	£000	£000
At 1 April 2014	38,033	38,033
Comprehensive income for the year		
Loss for the year	(15,425)	(15,425)
Actuarial losses on pension scheme	(482)	(482)
Other comprehensive income for the year	(482)	(482)
Total comprehensive income for the year	(15,907)	(15,907)
Total transactions with owners	-	-
At 31 March 2015	22,126	22,126

The notes on pages 15 to 32 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Loss for the financial year	(7,380)	(581)
Adjustments for:		
Depreciation of tangible assets	30	52
Impairments of fixed assets	1,300	-
Profit on disposal of investment properties	(600)	-
Increase in stocks	-	(1)
Interest received	(425)	(559)
Decrease in debtors (including long term debtors)	9,787	115
(Decrease)/Increase in creditors	(166)	39
Pension movement	102	(1,734)
Net fair value losses/(gains) recognised in P&L	272	(529)
Net cash generated from operating activities	2,920	(3,198)
Cash flows from investing activities		
Purchase of investment properties	-	(41)
Sale of investment properties	3,798	607
Purchase of short term listed investments	(17)	(27)
Interest received	425	359
Income from investments	-	200
Net cash from investing activities	4,206	1,098
Net increase / (decrease) in cash and cash equivalents	7,126	(2,100)
Cash and cash equivalents at beginning of year	526	2,626
Cash and cash equivalents at the end of year	7,652	526
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,652	526
	7,652	526

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

Pera International is a company limited by guarantee. It was incorporated in England and its registered office is Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB. The principal activity of the company during the period was scientific research and development. The principal activities of the company's subsidiaries are primarily investment property management as well as other commercial activities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Income

i) **Contract work** - this represents the net value of work performed during the year, less estimated losses and write-offs on uncompleted contracts.

ii) **Rental income** - rental income is recognised on an accrued basis.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% to 33% on cost per annum
-----------------------	--------------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated statement of comprehensive income.

2.5 Investment property

Investment property is carried at fair value. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income and expenditure account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Pensions

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, each entity recognises the net defined benefit cost charged in its own financial statements.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Certain of the amounts included in the financial statements involve the use of judgement and / or estimation.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and / or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies:

- The directors must judge whether all of the conditions required for revenues to be recognised in the statement of comprehensive income of the financial year, as set out in note 2.3, have been met.

Sources of estimation uncertainty:

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved.
- Investment property valuations are based on valuation assumptions

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £000	2015 £000
Contract work	764	711
Rental Income	635	654
	<u>1,399</u>	<u>1,365</u>

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the Year Ended 31 March 2016

5. Operating loss

The operating loss is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	30	52
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	6	3
- The audit of the Group's subsidiaries pursuant to legislation	6	6
- Other non-audit services	9	6
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	72	71
Social security costs	6	6
	<u> </u>	<u> </u>
	78	77
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
	3	3
	<u> </u>	<u> </u>

7. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	65	71
	<u> </u>	<u> </u>
	65	71
	<u> </u>	<u> </u>

8. Taxation

	2016 £000	2015 £000
Total current tax	-	-
	<u> </u>	<u> </u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	(7,380)	(581)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(1,476)	(122)
Effects of:		
Expenses not deductible for tax purposes	15	-
Differences relating to deferred tax (ACAs not recognised)	(19)	(121)
Profit on disposal investment property (no chargeable gain)	(120)	-
Movement in fair value of investments	54	(111)
Impairment of loans and investments	1,439	-
Capital gains	-	49
Tax losses carried forward and s.469 adjustment	51	1,219
Pension adjustment	56	(914)
Total tax charge for the year	-	-

9. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £8,111,000 (2015 - loss £15,425,000).

10. Impairment of loans and investments

As detailed in note 12 the group has loans and investments in trading companies arising from a management buy out in 2012. As detailed further in the strategic report, following recent events in respect of these trading companies the directors consider it appropriate to provide fully against these loans and investments (and also trade debtor and amounts recoverable on contract balances in respect of one of the trading companies) resulting in a charge of £7,360,000 to profit and loss.

Notes to the Financial Statements

For the Year Ended 31 March 2016

11. Tangible fixed assets

Group

	Fixtures and fittings £000
Cost or valuation	
At 1 April 2015	1,471
At 31 March 2016	1,471
Depreciation	
At 1 April 2015	1,386
Charge owned for the period	30
At 31 March 2016	1,416
Net book value	
At 31 March 2016	55
At 31 March 2015	85

Company

	Fixtures and fittings £000
Cost or valuation	
At 1 April 2015	20
At 31 March 2016	20
At 31 March 2016	-
At 31 March 2016	20
At 31 March 2015	20

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Fixed asset investments

Group

	Unlisted investments £000	Loans £000	Total £000
Cost or valuation			
At 1 April 2015	1,300	4,466	5,766
Transfer to current assets	-	(2,232)	(2,232)
At 31 March 2016	1,300	2,234	3,534
Impairment			
Charge for the period	1,300	2,234	3,534
At 31 March 2016	1,300	2,234	3,534
At 31 March 2016	-	-	-
At 31 March 2015	1,300	4,466	5,766

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Pera Innovation Limited	England	Ordinary £1	100 %	Scientific research and development, investment property management and as a holding company
Middle Aston House Limited	England	Ordinary £1	100 %	Investment property management
The Paint Research Association Limited	England	Limited by guarantee	100 %	Investment property management
Business Data Exchange Limited	England	Ordinary £1	100 %	Investment property management

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Fixed asset investments (continued)

Business Data Exchange Limited is owned by Pera Innovation Limited. All other companies are owned by Pera International.

Group

Loans

In 2012 a loan of £4,700,000 was made by Pera Innovation Limited to the new companies established to facilitate a management buyout. In addition the new companies were advanced a working capital loan of £3,000,000.

Repayments on the £3,000,000 loan commenced in 2014 (with £1,000,000 repaid in the year to March 2015 and £666,667 repayable in the year to March 2016) and repayments on the £4,700,000 loan commenced in 2015 (with £1,566,667 repayable in the year to March 2016). In respect of both loans combined £2,232,000 is due to be repaid in the year to March 2017 and the remaining £2,234,000 to be repaid in the year to March 2018. These loans have been fully provided for in the year (see note 10).

Investments

The company have retained a 20% investment in the trading companies of the management buy-out in 2012. This investment does not meet the definition of an associate as the directors consider that the company does not hold a participating interest or exercise significant influence and has therefore been disclosed as an investment. The investment has been fully provided in the year (see note 10).

Company

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Fixed asset investments (continued)

	Investments in subsidiary companies £000	Unlisted investments £000	Loans to subsidiaries £000	Total £000
Cost or valuation				
At 1 April 2015	4,887	1,300	5,500	11,687
Transfer to current assets	-	-	(5,500)	(5,500)
At 31 March 2016	4,887	1,300	-	6,187
Impairment				
At 1 April 2015	1,056	-	1,160	2,216
Transfer of provision to current assets	3,831	1,300	(1,160)	3,971
At 31 March 2016	4,887	1,300	-	6,187
At 31 March 2016	-	-	-	-
At 31 March 2015	3,831	1,300	4,340	9,471

Company

Loans to subsidiary undertakings - Company Pera Innovation Limited

A loan to Pera Innovation Limited of £3,000,000 is repayable on 31 December 2016. Interest is charged at base plus 2% per annum and is repayable either as and when agreed by the two parties or compounded annually and paid on 31 December 2016. The loans are secured by a floating charge on the assets of the company.

Middle Aston House Limited

A loan to Middle Aston House Limited of £2,500,000 is repayable on 31 December 2016. Interest is charged at 2% per annum plus base rate and is either to be paid when agreed between the two parties or compounded annually and paid on 31 December 2016. The loan is secured by a floating charge over the assets of the company.

Both loans have been disclosed as current assets in the year.

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 April 2015	9,540
Disposals	(3,198)
At 31 March 2016	6,342

The 2012 valuations were made by Independent professional property valuation specialists (Sneller Commercial Chartered Surveyors, Knight Frank and Mather Jamie Limited), on an open market value for existing use basis. The directors consider that the valuation of the investment property as at March 2016 is in line with the previous professional valuation.

Notes to the Financial Statements

For the Year Ended 31 March 2016

14. Stocks

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Consumable Stock	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15. Debtors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade debtors	16	1,886	-	1,684
Amounts owed by group undertakings	-	-	3,083	4,543
Loans to group undertakings (see note 11)	-	-	4,027	-
Other debtors	593	3,407	79	840
Amounts recoverable on long term contracts	-	626	-	626
	<u>609</u>	<u>5,919</u>	<u>7,189</u>	<u>7,693</u>

Group other debtors include loans of £2,232,000 (before provision) (2015: £2,234,000) as detailed in note 12. This amount has been fully provided for in the year as detailed in note 10.

16. Current asset investments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Listed investments	7,121	7,376	7,121	7,376
	<u>7,121</u>	<u>7,376</u>	<u>7,121</u>	<u>7,376</u>
	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Opening fair value	7,376	6,820	7,376	6,820
Purchases	17	27	17	27
(Losses)/gains on remeasurement to fair value	(272)	529	(272)	529
Market value	<u>7,121</u>	<u>7,376</u>	<u>7,121</u>	<u>7,376</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	7,652	526	2,708	256
	<u>7,652</u>	<u>526</u>	<u>2,708</u>	<u>256</u>

18. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade creditors	62	205	39	63
Taxation and social security	56	-	-	-
Other creditors	324	-	302	-
Accruals and deferred income	39	439	-	-
	<u>481</u>	<u>644</u>	<u>341</u>	<u>63</u>

19. Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Financial assets measured at fair value through profit or loss	7,121	9,202	7,121	9,202
Financial assets that are debt instruments measured at amortised cost	8,261	5,293	9,896	6,797
	<u>15,382</u>	<u>14,495</u>	<u>17,017</u>	<u>15,999</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(422)	(644)	(341)	(61)
	<u>(422)</u>	<u>(644)</u>	<u>(341)</u>	<u>(61)</u>

Financial assets measured at fair value through profit or loss comprise current asset investments.

Financial assets measured at amortised cost comprise fixed asset investments, cash and cash equivalents, trade debtors, other debtors and amounts recoverable on long term contracts.

Financial Liabilities measured at amortised cost comprised trade creditors, accruals and deferred income and other creditors.

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Reserves

Investment property revaluation reserve

The revaluation reserve reflects the surplus arising on the revaluation of the property.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Pension commitments

The Group operates a Defined benefit pension scheme.

Defined benefit fund

A defined benefit pension fund exists for all eligible employees who joined the scheme prior to 1 May 1999. This is an approved funded pension scheme. The scheme assets are held separately and are secured by a self administered investment fund. The scheme was frozen to future service accrual in December 2001.

Pension liabilities are assessed in accordance with the advice of an independent professionally qualified actuary. The most recent valuation was carried out as at 31 December 2014.

The funding method used for the valuation was the Defined Accrued Benefit method. Using this method the valuation estimated the Technical Provisions (or future liabilities) of the pension fund as £31.2 million, whereas the market value of the assets were calculated as £20.3 million. This indicated a funding deficit of £10.9 million and a funding level of 65%. By comparison the market value of assets at the previous valuation, as at 31 December 2011, were £14.2 million with a funding level of 52%).

The Trustees of the Scheme ('the Trustees') and Pera International ('the Employer') have agreed level annual contributions of £200,000 will be paid by the Employer from March 2016 until March 2025 inclusive in respect of the shortfall in the Technical Provisions, allowing for the payments made in March 2015 of £4.276m.

FRS 102 retirement benefits disclosures

The disclosures below have been prepared by an independent actuary in accordance with FRS 102. In preparing the disclosure the actuary has relied on information provided by the group.

The most recent formal actuarial valuation was carried out as at 31 December 2014 by KPMG Pensions.

The disclosures below represent the disclosures for the entire scheme, and the related accounting entries are reflected in the consolidated financial statements. The company's own share of the deficit at 31 March 2016 was £2,511,000 (2015: £2,628,000).

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2016 £000	2015 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	5,256	8,259
Scheme administration expenses	310	214
Interest cost	170	259
Actuarial gains/losses	(345)	964
Contributions	(369)	(4,440)
At the end of the year	5,022	5,256

Composition of plan assets:

	2016 £000	2015 £000
European equities	15,204	11,929
European bonds	5,828	7,157
Property	2,787	2,651
Cash and other	1,522	4,771
Total plan assets	25,341	26,508
	2016 £000	2015 £000
Present value of plan liabilities	(5,022)	(5,256)
Net pension scheme liability	(5,022)	(5,256)

The amounts recognised in profit or loss are as follows:

	2016 £000	2015 £000
Interest on obligation	(996)	(1,167)
Interest income on plan assets	826	908
Scheme administration expenses	(310)	(214)
Total	(480)	(473)

Reconciliation of fair value of plan liabilities is as follow:

	2016 £000	2015 £000
Opening defined benefit obligation	31,764	28,481

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Pension commitments (continued)

Interest cost	996	1,167
Actuarial (gains) / losses	(1,059)	3,510
Benefits paid	(1,338)	(1,394)
	<u>30,363</u>	<u>31,764</u>

Reconciliation of fair value of plan assets is as follows:

	2016	2015
	£000	£000
Opening fair value of scheme assets	26,508	20,222
Interest income on plan assets	826	908
Return on scheme assets (excluding interest income)	(717)	2,546
Scheme administration expenses	(310)	(214)
Contributions by employer	369	4,440
Benefits paid	(1,338)	(1,394)
	<u>25,338</u>	<u>26,508</u>

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016	2015
	%	%
Discount rate at 31 March	3.40	3.20
Rate of increase in pensions in payment	3.00	3.00
Rate of increase in deferred pensions	2.90	2.90
Life expectancy (years)		
- for a male aged 65 now	22.4	22.1
- at 65 for a male aged 45 now	23.7	23.4

Surplus

22. Related party transactions

The company is exempt under paragraph 33.1A of FRS 102 from the requirements to disclose transactions with other members of the group headed by Pera International Limited on the basis that they are wholly owned entities.

Notes to the Financial Statements

For the Year Ended 31 March 2016

23. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Note	Group £000	Company £000
Equity at 1 April 2014 under previous UK GAAP		23,356	36,530
Transitional adjustment 1		1,503	1,503
Equity shareholders funds at 1 April 2014 under FRS 102		24,859	38,033

Reconciliation of equity at 31 March 2015

	Note	Group £000	Company £000
Equity at 31 March 2015 under previous UK GAAP		21,281	20,094
Transitional adjustment 1		2,032	2,032
Equity shareholders funds at 31 March 2015 under FRS 102		23,313	22,126

Reconciliation of profit and loss account for the year ended 31 March 2015

	Group £000	Company £000
Loss for the year under UK GAAP	(817)	(15,807)
Transitional adjustment 1	529	529
Transitional adjustment 2	(293)	(147)
Loss for the year ended 31 March 2015 under FRS 102	(581)	(15,425)

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Under FRS 102 listed investments are required to be held at market value. Historically under UK GAAP these investments were held at the lower of cost and realisable value.
- 2 An increased profit and loss account charge of £293,000 (company: £147,000) in relation to the defined benefit pension scheme (being £214,000 in administration expenses in relation to scheme administration expenses and £79,000 in relation to interest costs) offset by an increase in the actuarial gain through reserves with therefore no impact on net assets.