# Financial Statements

# P.I.(1956) Limited

**For the year ended 31 December 2016**

**Registered number: 00561376**

# Company Information

| | |
|---|---|
| **Directors** | Mrs E. Corob (resigned 14 November 2016)<br>Ms T. A. Corob<br>Ms L. E. Corob<br>Ms A. L. Corob<br>Mr F. Cook<br>Mr S. J. Wiseman |
| **Company secretary** | Mr. J. G. Radford, FCCA |
| **Registered number** | 00561376 |
| **Registered office** | 62 Grosvenor Street<br>London<br>W1K 3JF |
| **Independent auditor** | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>Grant Thornton House<br>Melton Street<br>Euston Square<br>London<br>NW1 2EP |

# Contents

# Directors' report

**For the year ended 31 December 2016**

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

### Directors' responsibilities statement

The directors are responsible for preparing 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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.

### Principal activities

The principal activity of the company during the year was property investment.

### Directors

The directors who served during the year were:

Mrs E. Corob (resigned 14 November 2016)
Ms T. A. Corob
Ms L. E. Corob
Ms A. L. Corob
Mr F. Cook
Mr S. J. Wiseman

### 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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's auditor is aware of that information.

# Directors' report (continued)
**For the year ended 31 December 2016**

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 September 2017 and signed on its behalf.

**Mr. J. G. Radford, FCCA**
Secretary

# Independent auditor's report to the members of P.I.(1956) Limited

We have audited the financial statements of P.I.(1956) Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the 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'.

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 on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's 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 Company's affairs as at 31 December 2016 and of its 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.

Grant Thornton

# Independent auditor's report to the members of P.I.(1956) Limited (continued)

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**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 returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Elizabeth Collins (Senior statutory auditor)
for and on behalf of
**Grant Thornton UK LLP**
Chartered Accountants
Statutory Auditor
London Euston

26 September 2017

# Statement of comprehensive income
**For the year ended 31 December 2016**

| | Note | 2016 £ | 2015 £ |
|---|---|---|---|
| Turnover | 4 | **28,945** | 28,945 |
| Cost of sales | | **(2,895)** | (3,812) |
| **Gross profit** | | **26,050** | 25,133 |
| Administrative expenses | | **(2,691)** | (2,000) |
| Fair value adjustment | | **27,000** | 194,000 |
| **Operating profit** | 5 | **50,359** | 217,133 |
| Tax on profit | 6 | **(17,455)** | (41,546) |
| **Profit for the year** | | **32,904** | 175,587 |

The notes on pages 8 to 15 form part of these financial statements.

**P.I.(1956) Limited**
**Registered number:00561376**

# Statement of financial position
**As at 31 December 2016**

| | Note | | 2016 £ | | 2015 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investment property | 8 | | **1,133,000** | | 1,106,000 |
| | | | **1,133,000** | | 1,106,000 |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 9 | **339,468** | | 336,400 | |
| | | **339,468** | | 336,400 | |
| Creditors: amounts falling due within one year | 10 | **(30,532)** | | (27,464) | |
| **Net current assets** | | | **308,936** | | 308,936 |
| **Total assets less current liabilities** | | | **1,441,936** | | 1,414,936 |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 11 | **(175,464)** | | (181,368) | |
| | | | **(175,464)** | | (181,368) |
| **Net assets** | | | **1,266,472** | | 1,233,568 |
| **Capital and reserves** | | | | | |
| Called up share capital | 12 | | **1,000** | | 1,000 |
| Revaluation reserve | 13 | | **1,128,345** | | 1,101,345 |
| Capital reserves | 13 | | **1,388** | | 1,388 |
| Profit and loss account | 13 | | **135,739** | | 129,835 |
| **Shareholders' funds** | | | **1,266,472** | | 1,233,568 |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Mr S. J. Wiseman**
Director
Date: 26 September 2017

The notes on pages 8 to 15 form part of these financial statements.

# Statement of changes in equity

**For the year ended 31 December 2016**

| | Called up share capital | Revaluation reserve | Other reserves | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| At 1 January 2016 | 1,000 | 1,101,345 | 1,388 | 129,835 | 1,233,568 |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 32,904 | 32,904 |
| Transfer to/from profit and loss account | - | 27,000 | - | (27,000) | - |
| **At 31 December 2016** | 1,000 | 1,128,345 | 1,388 | 135,739 | 1,266,472 |

# Statement of changes in equity

**For the year ended 31 December 2015**

| | Called up share capital | Revaluation reserve | Other reserves | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| At 1 January 2015 | 1,000 | 907,345 | 1,388 | 148,248 | 1,057,981 |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 175,587 | 175,587 |
| Transfer to/from profit and loss account | - | 194,000 | - | (194,000) | - |
| **At 31 December 2015** | 1,000 | 1,101,345 | 1,388 | 129,835 | 1,233,568 |

The notes on pages 8 to 15 form part of these financial statements.

# Notes to the financial statements
**For the year ended 31 December 2016**

## 1. General information

P.I. (1956) Limited is a private limited company, limited by shares and is incorporated in England. The registered office is 62 Grosvenor Street, London, W1K 3JF.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

### 2.2 Cash flow exemption

The company has taken advantage of the exemption in FRS102 7.1B to not present a statement of cashflows.

### 2.3 Going concern

After reviewing the company's forecasts and projections, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.4 Turnover

Revenue comprises rent and other property related income invoiced to tenants, exclusive of Value Added Tax. Rental income and service charges are recognised in the period to which they relate.

The cost of lease incentives is offset against the total rents due and the net income is then spread evenly over the the duration of the lease.

### 2.5 Investment property

The Company carries its investment properties at fair value, with changes in fair value being recognised in the income statement and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income statement for the year. The fair value is determined annually by valuation specialists employed by the Company.

The valuer used a valuation technique based on a discounted cash flow model using inputs derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in location. The key assumptions used to determine the fair value of investment property are further explained in note 3.

# Notes to the financial statements
**For the year ended 31 December 2016**

## 2. Accounting policies (continued)

### 2.6 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

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

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- 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.

# Notes to the financial statements

**For the year ended 31 December 2016**

## 2. Accounting policies (continued)

### 2.7 Financial instruments

The Company 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 and loans to related parties.

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 statement.

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

### 2.8 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.

### 2.9 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.

# Notes to the financial statements

**For the year ended 31 December 2016**

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

Investment properties

The fair value of the company's investment property as at 31 December 2016 was determined by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

There are inter relationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

## 4. Turnover

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

| | **2016** | 2015 |
|---|---|---|
| | **£** | £ |
| Income from property | **28,945** | 28,945 |

All turnover arose within the United Kingdom.

## 5. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

| | **2016** | 2015 |
|---|---|---|
| | **£** | £ |
| Auditor's remuneration | **1,755** | 2,000 |

There are no employees other than the directors (2015: nil). During the year, no director received any emoluments (2015: £nil).

# Notes to the financial statements
**For the year ended 31 December 2016**

## 6. Taxation

| | 2016 £ | 2015 £ |
|---|---|---|
| Amounts payable in respect of group relief | **23,359** | 23,132 |
| | **23,359** | 23,132 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **4,172** | 34,709 |
| Changes to tax rates | **(10,076)** | (16,295) |
| **Total deferred tax** | **(5,904)** | 18,414 |
| **Taxation on profit on ordinary activities** | **17,455** | 41,546 |

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.0% (2015 - 20.25%). The differences are explained below:

| | 2016 £ | 2015 £ |
|---|---|---|
| Profit on ordinary activities before tax | **50,359** | 217,133 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015 - 20.25%) | **10,072** | 43,969 |
| **Effects of:** | | |
| Income not taxable for tax purposes - fair value adjustment on property | **(4,320)** | (39,278) |
| Chargeable gains | **4,908** | 39,041 |
| Capital allowances for year in excess of depreciation | **(4,672)** | (4,683) |
| Group relief paid for at £1 for £1 of tax loss | **23,359** | 23,132 |
| Changes in deferred tax rates | **(10,812)** | (20,635) |
| Other differences leading to an increase (decrease) in the tax charge | **(1,080)** | - |
| **Total tax charge for the year** | **17,455** | 41,546 |

## 7. Fair value adjustments

| | 2016 £ | 2015 £ |
|---|---|---|
| Property revaluation | **27,000** | 194,000 |

# Notes to the financial statements

**For the year ended 31 December 2016**

## 8. Investment property

| | Investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2016 | 1,106,000 |
| Surplus on revaluation | 27,000 |
| **At 31 December 2016** | 1,133,000 |

The 2016 valuations were made by W Gear, a member of the Royal Institution of Chartered Surveyors, and an employee of Corob Holdings Limited, a related company.

The historical cost value of the investment property is £4,665 (2015: £4,665).

## 9. Debtors

| | 2016 £ | 2015 £ |
|---|---|---|
| Amounts owed by group undertakings | 331,671 | 336,400 |
| Other debtors | 7,797 | - |
| | 339,468 | 336,400 |

Amounts owed by group undertakings are interest free and repayable on demand.

## 10. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|---|---|---|
| Amounts owed to group undertakings | - | 28,027 |
| Corporation tax | 28,532 | - |
| Accruals and deferred income | 2,000 | (563) |
| | 30,532 | 27,464 |

Amounts owed to group undertakings are interest free and repayable on demand.

# Notes to the financial statements

**For the year ended 31 December 2016**

## 11. Deferred taxation

| | 2016 £ | 2015 £ |
|---|---|---|
| At beginning of year | **(181,368)** | (162,954) |
| Charged to profit or loss | **5,904** | (18,414) |
| **At end of year** | **(175,464)** | (181,368) |

The provision for deferred taxation is made up as follows:

| | 2016 £ | 2015 £ |
|---|---|---|
| Capital gains - Investment property | **(175,464)** | (181,368) |
| | **(175,464)** | (181,368) |

## 12. Share capital

| | 2016 £ | 2015 £ |
|---|---|---|
| **Shares classified as equity** | | |
| **Allotted, called up and fully paid** | | |
| 1,000 Ordinary shares shares of £1 each | **1,000** | 1,000 |

## 13. Reserves

**Revaluation reserve**

Revaluation reserve represents the cumulative unrealised valuation movement on investment properties which is transferred from the profit and loss account.

**Capital reserve**

Represents the net surplus arising from realised profits which, under the company's Articles of Association, is not distributable.

**Profit and loss account**

Includes all current and prior period retained and realised profits and losses.

## 14. Related party transactions

The company has taken advantage of exemptions available under Financial Reporting Standard 102 and has not disclosed transactions with group undertakings.

# Notes to the financial statements

**For the year ended 31 December 2016**

## 15. Ultimate parent undertaking and controlling party

Corob Holdings Limited, incorporated in England and Wales, is the company's immediate parent undertaking and Corob Consolidated Limited, incorporated in England and Wales, is its ultimate parent undertaking and controlling party.

The largest and smallest group of undertakings for which group accounts are drawn up is that headed by Corob Consolidated Limited, the consolidated accounts of which are available from Companies House.