

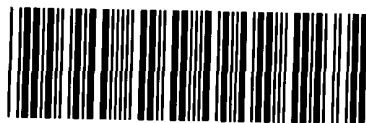
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**PEONIES LIMITED**

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**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

FRIDAY



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29/09/2017  
COMPANIES HOUSE

**PEONIES LIMITED**  
**REGISTERED NUMBER: 04246659**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	4	3,412	4,549
Investments	5	5,700,023	4,500,023
		<u>5,703,435</u>	<u>4,504,572</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	5,300	5,300
Cash at bank and in hand	7	12,526	9,728
		<u>17,826</u>	<u>15,028</u>
Creditors: amounts falling due within one year	8	(239,974)	(189,243)
<b>Net current liabilities</b>		<u>(222,148)</u>	<u>(174,215)</u>
<b>Total assets less current liabilities</b>		<u>5,481,287</u>	<u>4,330,357</u>
<b>Provisions for liabilities</b>			
Deferred tax		(449,677)	(236,993)
<b>Net assets</b>		<u><u>5,031,610</u></u>	<u><u>4,093,364</u></u>
<b>Capital and reserves</b>			
Called up share capital		2,290,000	2,290,000
Revaluation reserve	11	3,071,709	2,084,393
Profit and loss account	11	(330,099)	(281,029)
		<u><u>5,031,610</u></u>	<u><u>4,093,364</u></u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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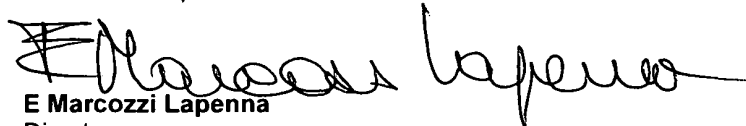
**PEONIES LIMITED**  
**REGISTERED NUMBER: 04246659**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*28 September 2017*.

  
**E Marcozzi Lapenna**  
Director

The notes on pages 4 to 12 form part of these financial statements.

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**PEONIES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Called up share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2015</b>	<b>2,290,000</b>	<b>1,694,692</b>	<b>(193,375)</b>	<b>3,791,317</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	302,047	302,047
<b>Transfer to/from profit and loss account</b>	-	389,701	(389,701)	-
<b>At 1 January 2016</b>	<b>2,290,000</b>	<b>2,084,393</b>	<b>(281,029)</b>	<b>4,093,364</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	938,246	938,246
<b>Transfer to/from profit and loss account</b>	-	987,316	(987,316)	-
<b>At 31 December 2016</b>	<b>2,290,000</b>	<b>3,071,709</b>	<b>(330,099)</b>	<b>5,031,610</b>

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## PEONIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. General information

Peonies Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The registered office of the company is situated at Leytonstone House, 3 Hanbury Drive, London E11 1GA.

The principal activity of the company is that of property investment.

#### 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 following principal accounting policies have been applied:

##### 2.2 Tangible fixed assets

Tangible fixed assets under the cost model 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
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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 in the Statement of comprehensive income.

##### 2.3 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

##### 2.4 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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## PEONIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.5 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.

##### 2.6 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.

##### 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 debtors and creditors, 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 debtors and creditors, 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.

##### 2.8 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.

##### 2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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**PEONIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 1 (2015 - 1).

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**PEONIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**4. Tangible fixed assets**

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 January 2016	52,871
At 31 December 2016	<u>52,871</u>
<b>Depreciation</b>	
At 1 January 2016	48,322
Charge for the year on owned assets	1,137
At 31 December 2016	<u>49,459</u>
<b>Net book value</b>	
At 31 December 2016	<u><u>3,412</u></u>
At 31 December 2015	<u><u>4,549</u></u>

**5. Fixed asset investments**

	Participating interests £	Investment properties £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	23	4,500,000	4,500,023
Revaluations	-	1,200,000	1,200,000
At 31 December 2016	<u>23</u>	<u>5,700,000</u>	<u>5,700,023</u>
<b>Net book value</b>			
At 31 December 2016	<u><u>23</u></u>	<u><u>5,700,000</u></u>	<u><u>5,700,023</u></u>
At 31 December 2015	<u><u>23</u></u>	<u><u>4,500,000</u></u>	<u><u>4,500,023</u></u>



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PEONIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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5. Fixed asset investments (continued)

The investment property has been revalued in the year to their open market value by Mrs E M Lapenna, a director of the company, based on a professional valuation carried out by M J Osborn FRICS. The historic cost of the investment properties at the balance sheet date was £2,178,614 (2015 - £2,178,614).

The company has not let out the investment properties during the current and prior years.

6. Debtors

	2016 £	2015 £
Other debtors	5,300	5,300
	<u>5,300</u>	<u>5,300</u>

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	12,526	9,728
	<u>12,526</u>	<u>9,728</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	207,437	150,000
Other creditors	26,037	26,037
Accruals and deferred income	6,500	13,206
	<u>239,974</u>	<u>189,243</u>

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PEONIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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9. Deferred taxation

	2016 £	2015 £
At beginning of year	(236,993)	(154,780)
Charged to profit or loss	(212,684)	(82,213)
<b>At end of year</b>	<b>(449,677)</b>	<b>(236,993)</b>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Unrealised gains on revaluation of investment property	(449,677)	(236,993)
	<b>(449,677)</b>	<b>(236,993)</b>

10. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
2,290,000 Ordinary shares of £1 each	<b>2,290,000</b>	<b>2,290,000</b>

11. Reserves

**Revaluation reserve**

The revaluation reserve represents the cumulative effect of revaluations of investment properties.

**Profit & loss account**

The profit and loss account represents accumulated profits and losses of the company since incorporation less dividends paid.

12. Related party transactions

Included in creditors is a loan from EMTO S.R.L., the parent undertaking, of £207,437 (2015 - £150,000). The loan was unsecured and interest free.

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**PEONIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**13. Controlling party**

The company considers EMTO S.R.L., a company incorporated in Italy to be its parent undertaking and Mr C Buora and Mrs D Buora to be its ultimate controlling parties.

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**PEONIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**14. First time adoption of FRS 102**

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

	<i>As previously stated 1 January 2015 £</i>	<i>Effect of transition 1 January 2015 £</i>	<b>FRS 102 (as restated) 1 January 2015 £</b>	<i>As previously stated 31 December 2015 £</i>	<i>Effect of transition 31 December 2015 £</i>	<b>FRS 102 (as restated) 31 December 2015 £</b>
Fixed assets	4,034,174	-	<b>4,034,174</b>	4,504,572	-	<b>4,504,572</b>
Current assets	106,960	-	<b>106,960</b>	15,028	-	<b>15,028</b>
Creditors: amounts falling due within one year	(195,037)	-	<b>(195,037)</b>	(189,243)	-	<b>(189,243)</b>
<b>Net current liabilities</b>	<b>(88,077)</b>	<b>-</b>	<b>(88,077)</b>	<b>(174,215)</b>	<b>-</b>	<b>(174,215)</b>
<b>Total assets less current liabilities</b>	<b>3,946,097</b>	<b>-</b>	<b>3,946,097</b>	<b>4,330,357</b>	<b>-</b>	<b>4,330,357</b>
Provisions for liabilities	-	(154,780)	<b>(154,780)</b>	-	(236,993)	<b>(236,993)</b>
<b>Net assets</b>	<b>3,946,097</b>	<b>(154,780)</b>	<b>3,791,317</b>	<b>4,330,357</b>	<b>(236,993)</b>	<b>4,093,364</b>
Capital and reserves	<b>3,946,097</b>	<b>(154,780)</b>	<b>3,791,317</b>	<b>4,330,357</b>	<b>(236,993)</b>	<b>4,093,364</b>

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**PEONIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**14. First time adoption of FRS 102 (continued)**

	<i>As previously stated 31 December 2015 £</i>	<i>Effect of transition 31 December 2015 £</i>	<b>FRS 102 (as restated) 31 December 2015 £</b>
	-	-	-
Administrative expenses	(87,654)	-	(87,654)
Fair value movements	-	471,914	471,914
<b>Operating profit</b>	(87,654)	471,914	<b>384,260</b>
Taxation	-	(82,213)	(82,213)
<b>(Loss)/profit on ordinary activities after taxation and for the financial year</b>	(87,654)	389,701	<b>302,047</b>

Explanation of changes to previously reported profit and equity:

- 1 Revaluation of investment properties - under previous UK GAAP any revaluation of investment properties was recognised in the Statement of Total Recognised Gains and Losses. Under FRS 102 Section 1A, investment properties must be recognised at fair value through the profit and loss account. A fair value movement of £471,914 has been recognised in the profit and loss account for the year ended 31 December 2015. As this relates to undistributable reserves, it has been transferred from the profit and loss reserve into a separate revaluation reserve.
- 2 Deferred tax on investment properties - under previous UK GAAP the company was not required to provide for taxation on revaluations unless the company has entered into a binding sale contract and recognised the gains or loss expected to arise. Under FRS 102 Section 1A, deferred taxation is provided on the unrealised gains from the revaluation. A deferred tax charge of £82,213 has been recognised in the profit and loss account for the year ended 31 December 2015. A brought forward deferred tax liability of £154,780 was also recognised in the year ended 31 December 2015; leading to an overall recognised deferred tax liability of £236,993.