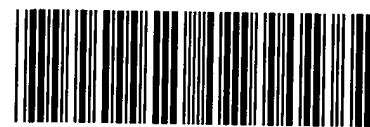


Financial Statements

The Paint Research Association Limited

For the year ended 31 March 2015

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COMPANIES HOUSE

Registered number: 00216387

The Paint Research Association Limited
(A company limited by guarantee)

Company Information

| | |
|----------------------------|--|
| Directors | R J Whysall M H Lewis |
| Company secretary | Mrs L Gibson |
| Registered number | 00216387 |
| Registered office | 14 Castle Mews High Street Hampton Middlesex TW12 2NP |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH |

The Paint Research Association Limited
(A company limited by guarantee)

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Directors' Report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

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

Directors

The directors who served during the year were:

R J Whysall
M H Lewis

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

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'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's auditor is aware of that information.

The Paint Research Association Limited
(A company limited by guarantee)

Directors' Report

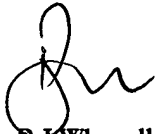
For the year ended 31 March 2015

Auditor

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.

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 and signed on its behalf.



R. J. Whysall
Director

Date: 19 November 2015

(A company limited by guarantee)



Independent Auditor's Report to the Shareholders of The Paint Research Association Limited

We have audited the financial statements of The Paint Research Association Limited for the year ended 31 March 2015, which comprise the Income and expenditure account, the Balance sheet 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).

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 (APB'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 March 2015 and of its deficit 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(A company limited by guarantee)



Independent Auditor's Report to the Shareholders of The Paint Research Association Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Christopher Frostwick (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
East Midlands

19 November 2015

The Paint Research Association Limited
(A company limited by guarantee)

Income and Expenditure Account

For the year ended 31 March 2015

| | Note | 2015 £ | 2014 £ |
|---|------|---------------------------|--------------------|
| Income | 1,2 | 153,613 | 100,034 |
| Administrative expenses | | <u>(153,759)</u> | <u>(100,103)</u> |
| Operating deficit | 3 | (146) | (69) |
| Exceptional items | | | |
| Inter company loans waived | 5 | <u>(1,058,885)</u> | <u>-</u> |
| Deficit on ordinary activities before interest | | (1,059,031) | (69) |
| Interest receivable and similar income | | <u>25</u> | <u>-</u> |
| Deficit on ordinary activities before taxation | | (1,059,006) | (69) |
| Tax on deficit on ordinary activities | 6 | <u>-</u> | <u>-</u> |
| Deficit for the financial year | 10 | <u>(1,059,006)</u> | <u>(69)</u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Income and expenditure account.

The notes on pages 7 to 10 form part of these financial statements.

Balance Sheet

As at 31 March 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|---------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investment property | 7 | | 2,142,726 | | 2,100,784 |
| Current assets | | | | | |
| Debtors | 8 | 44,567 | | 1,135,291 | |
| Cash at bank | | 46,812 | | 98,299 | |
| | | <u>91,379</u> | | <u>1,233,590</u> | |
| Creditors: amounts falling due within one year | 9 | (58,772) | | (100,035) | |
| Net current assets | | | <u>32,607</u> | | <u>1,133,555</u> |
| Net assets | | | <u>2,175,333</u> | | <u>3,234,339</u> |
| Capital and reserves | | | | | |
| Income and expenditure account | 10 | | <u>2,175,333</u> | | <u>3,234,339</u> |
| | 13 | | <u>2,175,333</u> | | <u>3,234,339</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 November 2015.



R J Whysall
Director

The notes on pages 7 to 10 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention except for certain fixed assets which are carried at valuation and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Income

Rental income

Rental income is recognised on an accrued basis.

1.4 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

2. Income

Turnover relates to rental income.

All turnover arose within the United Kingdom.

3. Operating deficit

The operating deficit is stated after charging:

| | 2015 | 2014 |
|------------------------------------|---------|--------|
| | £ | £ |
| Auditor's remuneration | 1,500 | 1,500 |
| Gift aid payment to parent company | 110,000 | 60,000 |

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

Notes to the Financial Statements

For the year ended 31 March 2015

5. Exceptional items

| | 2015 £ | 2014 £ |
|----------------------------|------------------|-----------|
| Inter company loans waived | <u>1,058,885</u> | <u>-</u> |

During the year as part of a restructuring exercise certain inter company loans were formally waived.

6. Taxation

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| UK corporation tax charge on deficit for the year | <u>-</u> | <u>-</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

| | 2015 £ | 2014 £ |
|---|--------------------|-------------|
| Deficit on ordinary activities before tax | <u>(1,059,006)</u> | <u>(69)</u> |
| Deficit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%) | (222,391) | (16) |
| Effects of: | | |
| Losses carried forward | - | 16 |
| Inter company loans waived (not taxable) | 222,365 | - |
| Unrelieved tax losses carried forward | 26 | - |
| | <u>-</u> | <u>-</u> |
| Current tax charge for the year (see note above) | <u>-</u> | <u>-</u> |

Notes to the Financial Statements

For the year ended 31 March 2015

7. Investment property

| | Freehold investment property £ |
|---------------------------------------|---|
| Valuation | |
| At 1 April 2014 | 2,100,784 |
| Additions at cost | 41,942 |
| | <hr/> |
| At 31 March 2015 | 2,142,726 |
| Comprising | |
| Cost | 2,497,186 |
| Annual revaluation surplus/(deficit): | |
| 2012 - valuation | (396,402) |
| 2015 - additions | 41,942 |
| | <hr/> |
| At 31 March 2015 | 2,142,726 |
| | <hr/> |

The 2012 valuations were made by Sneller Commercial Chartered Surveyors, on an open market value for existing use basis. The directors consider that the valuation of the investment property as at March 2015 is in line with the previous professional valuation.

8. Debtors

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 39,449 | - |
| Amounts owed by group undertakings | - | 1,135,291 |
| Tax recoverable | 5,118 | - |
| | <hr/> | <hr/> |
| | 44,567 | 1,135,291 |
| | <hr/> | <hr/> |

9. Creditors: Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 7,176 | - |
| Amounts owed to group undertakings | 15,040 | 60,000 |
| Other creditors | 36,556 | 40,035 |
| | <hr/> | <hr/> |
| | 58,772 | 100,035 |
| | <hr/> | <hr/> |

The Paint Research Association Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 March 2015

10. Reserves

| | Income and expenditure account £ |
|--------------------------------|---|
| At 1 April 2014 | 3,234,339 |
| Deficit for the financial year | (1,059,006) |
| | <hr/> |
| At 31 March 2015 | 2,175,333 |
| | <hr/> |

11. Related party transactions

As a wholly owned subsidiary of Pera International the company has taken advantage of the exemptions contained within Financial Reporting Standard No 8 'Related party disclosures' which allow non disclosure of all intercompany transactions as the consolidated accounts of Pera Internaional are publicly available.

12. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the company in the event of liquidation.

13. Reconciliation of movement in members' funds

| | 2015 £ | 2014 £ |
|--------------------------------|-------------|-----------|
| Opening members' funds | 3,234,339 | 3,234,408 |
| Deficit for the financial year | (1,059,006) | (69) |
| | <hr/> | <hr/> |
| Closing members' funds | 2,175,333 | 3,234,339 |
| | <hr/> | <hr/> |

14. Ultimate parent undertaking and controlling party

The company is a 100% subsidiary of Pera International, a company limited by guarantee and registered in England and Wales. That company is considered to be the ultimate holding company and ultimate control is held by the members of that company.