
THE PAINT RESEARCH ASSOCIATION LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors Roger James Whysall
Alan John Baxter

Company secretary Lorraine Ann Badjie

Registered number 00216387

Registered office Pera Business Park
Nottingham Road
Melton Mowbray
Leicestershire
LE13 0PB

Independent auditors BDO LLP
Two Snowhill
Birmingham
B4 6GA

THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

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THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

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 judgements 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 to 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.

Directors

The directors who served during the year were:

Roger James Whysall
Alan John Baxter

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

THE PAINT RESEARCH ASSOCIATION LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

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 6 December 2019 and signed on its behalf.



Roger James Whysall
Director

THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAINT RESEARCH ASSOCIATION LIMITED

Opinion

We have audited the financial statements of The Paint Research Association Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAINT RESEARCH ASSOCIATION LIMITED (CONTINUED)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PAINT RESEARCH ASSOCIATION LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.



Paul Fenner (Senior Statutory Auditor)

for and on behalf of

BDO LLP

Two Snowhill
Birmingham
B4 6GA

Date: 10 December 2019

THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover		59,285	234,453
Gross profit		59,285	234,453
Administrative expenses		(6,995)	(72,658)
Operating profit		52,290	161,795
Interest receivable and similar income		96	13
Profit before tax		52,386	161,808
Tax on profit		-	16,516
Profit for the financial year		52,386	178,324
Total comprehensive income for the year		52,386	178,324

The notes on pages 9 to 15 form part of these financial statements.


THE PAINT RESEARCH ASSOCIATION LIMITED
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REGISTERED NUMBER: 00216387

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments		3,700,000	-
Investment property		-	3,700,000
		<u>3,700,000</u>	<u>3,700,000</u>
Current assets			
Debtors: amounts falling due within one year	7	46,213	97,037
Cash at bank and in hand	8	364,843	273,697
		<u>411,056</u>	<u>370,734</u>
Creditors: amounts falling due within one year	9	(462,233)	(324,310)
Net current (liabilities)/assets		<u>(51,177)</u>	<u>46,424</u>
Total assets less current liabilities		<u>3,648,823</u>	<u>3,746,424</u>
Net assets		<u><u>3,648,823</u></u>	<u><u>3,746,424</u></u>
Capital and reserves			
Profit and loss account		3,648,823	3,746,424
		<u><u>3,648,823</u></u>	<u><u>3,746,424</u></u>

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 on 6 December 2019.


Roger James Whysall
 Director

The notes on pages 9 to 15 form part of these financial statements.

THE PAINT RESEARCH ASSOCIATION LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Profit and loss account £	Total equity £
At 1 April 2018	3,746,424	3,746,424
Comprehensive income for the year		
Profit for the year	52,386	52,386
Total comprehensive income for the year	<u>52,386</u>	<u>52,386</u>
Distribution of reserves	(149,987)	(149,987)
At 31 March 2019	<u><u>3,648,823</u></u>	<u><u>3,648,823</u></u>

The notes on pages 9 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Profit and loss account £	Total equity £
At 1 April 2017	3,568,100	3,568,100
Comprehensive income for the year		
Profit for the year	178,324	178,324
Total comprehensive income for the year	<u>178,324</u>	<u>178,324</u>
At 31 March 2018	<u><u>3,746,424</u></u>	<u><u>3,746,424</u></u>

The notes on pages 9 to 15 form part of these financial statements.

THE PAINT RESEARCH ASSOCIATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Paint Research Association Limited is a private company limited by guarantee. It was incorporated in England and Wales and its registered office is Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB. The principal activity of the company during the year was that of investment property management.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirements to prepare consolidated financial statements under section 400 of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Rental income is recognised on an accrual basis.

2.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.4 Taxation

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.

2.5 Investment property

Investment property is carried at fair value. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

THE PAINT RESEARCH ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

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.

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.

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.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from group entities.

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.

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 Statement of Comprehensive Income.

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

THE PAINT RESEARCH ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Financial instruments (continued)

difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company 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.

2.11 Distribution of reserves

The company pays all its taxable profits for the reporting period to its parent charity under the gift aid scheme. These gift aid payments are recognised as a distribution of reserves within retained earnings when they are paid.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

4. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	(16,516)
	-	(16,516)
Total current tax	-	(16,516)
Deferred tax		
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	(16,516)

THE PAINT RESEARCH ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>52,386</u>	<u>161,808</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	9,953	30,744
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(16,516)
Deferred tax not recognised	-	(2,246)
Gift aid payable	(9,953)	(28,498)
Total tax charge for the year	<u>-</u>	<u>(16,516)</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	3,700,000
At 31 March 2019	<u>3,700,000</u>

During the year, the company purchased 100% of the share capital of PRA Hampton Limited. The cost of the shares was £3,700,000 and this was paid by the transfer of the investment property to PRA Hampton Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Investment property

	Freehold investment property £
At 1 April 2018	3,700,000
Disposals	(3,700,000)
At 31 March 2019	-

During the year, the company transferred the investment property to PRA Hampton Limited in exchange for 100% of the share capital of the company.

THE PAINT RESEARCH ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Debtors

	2019 £	2018 £
Other debtors	46,213	97,037
	<u>46,213</u>	<u>97,037</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	364,843	273,696
	<u>364,843</u>	<u>273,696</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	1,694
Amounts owed to group undertakings	387,438	249,418
Other creditors	74,795	73,198
	<u>462,233</u>	<u>324,310</u>

10. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>364,843</u>	<u>273,696</u>

Financial assets measured at fair value through profit or loss comprise cash in bank and in hand.

THE PAINT RESEARCH ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. 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.

12. Related party transactions

The company is exempt under paragraph 33.1A of FRS 102 Section 1A from the requirements to disclose transactions with other members of the group headed by Pera International on the basis that they are wholly owned entities.

13. 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 directors of that company. This company is included in the consolidated financial statements of Pera International for the year ended 31 March 2019. These accounts are available from Companies House. The registered office of Pera International is Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB.