

Registered number: 1045056

PIRIN PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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PIRIN PLC

COMPANY INFORMATION

Directors	P D Hammond (deceased 18 September 2016) T P Buisson
Company secretary	J K Hammond
Registered number	1045056
Registered office	Sage House New Ford House Waltham Cross Herts EN8 7PG
Trading Address	Sage House New Ford House Waltham Cross Herts EN8 7PG
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

PIRIN PLC

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PIRIN PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The main activity of the Company remains the letting of its commercial property, and in respect of this activity the turnover was a better than previously, with slightly higher rents achieved on scheduled reviews. Higher payroll costs have resulted in a small decrease in profit before interest of £10k.

Business review

The asset base remains as previously, which consists of two industrial developments in East London. The Directors are confident that the rental property market in this area remains firm. The prospects for the business are therefore considered to be good, subject to the risk of a collapse in the commercial property market which the Directors consider to be unlikely.

The Directors have revalued the properties and the value remains unchanged from the prior year.

Principal risks and uncertainties

As referred to above, the principal risk to the Company's business would arise from a serious collapse in the East London commercial property market, but this is considered very unlikely for the foreseeable future. There has been no impact at this point from the decision to leave the European Union. Although this process is not far advanced, the directors do not anticipate a fundamental change in commercial rental market conditions as a result. A rise in interest rates beyond expectations is considered unlikely, and although it could damage the net trading result overall the Company would remain profitable except in the most extreme circumstances.

Any significant change in the rules relating to the taxation of commercial property both at national and local level, or a change in local authority planning or zoning policies would also have a potential risk attached, but again are considered by the Directors to be very unlikely.

Financial key performance indicators

The Company's Key Performance Indicators show overall stability year on year, with the ratio of P.B.I.T. to Turnover falling slightly from 72.4% to 69.4%, the ratio of Turnover to Fixed Assets up from 7.1% to 7.3%, and the ratio of P.B.I.T. to Fixed Assets remaining unchanged at 5.3%.

Other key performance indicators

The Company relies on the existence of good relationships with tenants and neighbours, and takes seriously any complaints. The level of such complaints remain minimal, and has not increased during the year.

Brexit

The Directors consider the main effect following the UK's decision to leave the European Union to be the consequences of any current market uncertainty. They have considered the risks, and the balances within the financial statements and there has been no changes to report regarding impairment of assets or any disclosure amendments.

This report was approved by the board on

27/9/16

and signed on its behalf.

T P Buisson
Director



PIRIN PLC

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 profit for the year, after taxation, amounted to £631,295 (2015 - loss £271,814).

The Directors have not recommended the payment of a dividend

Directors

The Directors who served during the year were:

P D Hammond (deceased 18 September 2016)
T P Buisson

Future developments and Group Reorganisation

A strategic reorganisation of the Pirin Holdings Ltd Group, of which Pirin PLC is a full owned subsidiary, is taking place with effect from 30th September 2016.

Two clearly defined subgroups will be created. One will concentrate on construction and interior fit out. The other, which will be led by Pirin PLC, will concentrate on investment in commercial property. The Directors believe that this will bring managerial and other efficiencies going forward and lead to a significantly improved operating performance all round.

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 that Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Post balance sheet events

Post balance sheet events include the group reorganisation noted above.

Auditors

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

This report was approved by the board on 27/9/16 and signed on its behalf.


T P Buisson
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The Directors are responsible for preparing the 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 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIRIN PLC

We have audited the financial statements of Pirin PLC for the year ended 31 March 2016, set out on pages 6 to 25, which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 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 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit or 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

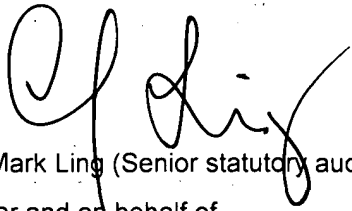
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIRIN PLC (CONTINUED)

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.



Mark Ling (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 27 SEPTEMBER 2016

PIRIN PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover		996,767	965,621
Cost of sales		(33,874)	(38,018)
Gross profit		962,893	927,603
Administrative expenses		(283,796)	(214,174)
Other operating income		42,321	17,603
Operating profit		721,418	731,032
Interest receivable and similar income	10	87,967	16,030
Interest payable and expenses	11	(108,279)	(126,749)
Profit before tax		701,106	620,313
Tax on profit	12	(69,811)	(892,127)
Profit/(loss) for the year		631,295	(271,814)
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	500,000
Movement in brought forward deferred tax balance relating to change in rate enacted at the Balance Sheet date		98,016	-
Other comprehensive income for the year		98,016	500,000
Total comprehensive income for the year		729,311	228,186

The notes on pages 9 to 25 form part of these financial statements.

PIRIN PLC
REGISTERED NUMBER: 1045056

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		66,001		69,109
Investments	14		175		175
Investment property	15		13,600,000		13,600,000
			<u>13,666,176</u>		<u>13,669,284</u>
Current assets					
Debtors: amounts falling due within one year	16	2,333,609		1,507,584	
Cash at bank and in hand	17	547,532		1,373,274	
		<u>2,881,141</u>		<u>2,880,858</u>	
Creditors: amounts falling due within one year	18	(657,321)		(1,053,563)	
Net current assets			<u>2,223,820</u>		<u>1,827,295</u>
Total assets less current liabilities			<u>15,889,996</u>		<u>15,496,579</u>
Creditors: amounts falling due after more than one year	19		(3,375,000)		(3,625,000)
Provisions for liabilities					
Deferred tax		(894,269)		(980,163)	
			<u>(894,269)</u>		<u>(980,163)</u>
Net assets			<u>11,620,727</u>		<u>10,891,416</u>
Capital and reserves					
Called up share capital	23		1,000,000		1,000,000
Other reserves	24		9,788,581		9,788,581
Profit and loss account	24		832,146		102,835
			<u>11,620,727</u>		<u>10,891,416</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 SEPTEMBER 2016



T P Buisson
Director

PIRIN PLC

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

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	1,000,000	9,788,581	102,835	10,891,416
Comprehensive income for the year				
Profit for the year	-	-	631,295	631,295
Other comprehensive income	-	-	98,016	98,016
Total comprehensive income for the year	-	-	729,311	729,311
At 31 March 2016	1,000,000	9,788,581	832,146	11,620,727

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	1,000,000	9,288,581	374,649	10,663,230
Comprehensive income for the year				
Loss for the year	-	-	(271,814)	(271,814)
Surplus on revaluation of freehold property	-	500,000	-	500,000
Total comprehensive income for the year	-	500,000	(271,814)	228,186
At 31 March 2015	1,000,000	9,788,581	102,835	10,891,416

The notes on pages 9 to 25 form part of these financial statements.

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

1. General information

Pirin PLC is a Company limited by shares incorporated and domiciled in Great Britain. The Company's principal activity during the year was that of contracting and shop fitting. It is a wholly owned subsidiary of Pirin Holdings Ltd. The address of its registered office is Sage House, New Ford Road, Waltham Cross, Hertfordshire, EN8 7PG. The functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements and statement of compliance

The financial statements have been prepared under the historical cost convention as modified by the revaluation of property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 30.

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

The following principal accounting policies have been applied:

2.2 Going concern

In the opinion on the Directors, the Company continues to be a going concern as it has sufficient cash resources to fund the ongoing activities of the Company for at least the next 12 months. In the post year end period the bank loan facility was renewed. In addition the parent company, Pirin Holdings Limited, has undertaken to provide full financial support as and when required for the foreseeable future. As such, the financial statements continue to be prepared on a going concern basis.

2.3 Cash Flow

The Company has taken exemption from preparing a cash flow statement under FRS 102, as the Company is a subsidiary undertaking where 100% of the voting rights are controlled within the group and consolidated financial statements in which those subsidiary undertakings are included are publicly available.

2.4 Consolidated financial statements

The Company is a wholly owned subsidiary of Pirin Holdings Limited. It is a parent entity itself with subsidiaries as detailed in note 14. This entity and its subsidiaries are included in the consolidated financial statements of Pirin Holdings Limited which are publicly available. Therefore the Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.5 Revenue

Turnover comprises revenue recognised by the Company in respect of rental income receivable during the year. Revenue is recognised based on calendar month for which the rent is based.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

2. Accounting policies (continued)

2.6 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 Company 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 Company. 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:

Plant & machinery	- 25-33% per annum
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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.

2.7 Investment property

Investment property is carried at fair value determined annually by appropriately qualified individuals 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 Profit and loss account.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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 Profit and loss account.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.12 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.

2.13 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the profit and loss account on a straight line basis over the term of the relevant lease.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

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

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Employee benefits

The Company provides a range of benefits to employees, including healthcare arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

2.18 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.20 Taxation

Tax is recognised in the Profit and Loss Account, except that a change 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.

2.21 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned. It discloses balances with all related parties.

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

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

The preparation of the financial information in conformity with FRS 102 requires management to make estimates and assumptions that affect reported amounts of investment properties.

The investment properties were professionally valued in March 2015 on an open market value for existing use basis, and again on 31 March 2016 on the same basis by the Directors. The Directors consider that the properties are materially unchanged and remain held as investment properties. There has been no material change in the yield generated by the properties, which has risen from 7.1% to 7.3% over the period based on a small number of rent reviews, nor has there been any material change in the yield expected by the market. The Directors therefore consider that the valuation of £13,600,000 to be appropriate.

4. Turnover

The whole of the turnover is attributable to the main activity of the Company.

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Other operating income	9,687	-
Car park rental income	32,634	17,603
	<u>42,321</u>	<u>17,603</u>

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	3,108	2,480
Defined contribution pension cost	21,145	-
	<u>21,145</u>	<u>-</u>

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor in respect of:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

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

8. Employees

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

	2016 £	2015 £
Wages and salaries	45,553	-
Social security costs	5,234	-
Cost of defined contribution scheme	21,145	-
	<u>71,932</u>	<u>-</u>

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

	2016 No.	2015 No.
Administrative staff	6	-
Directors	2	2
	<u>8</u>	<u>2</u>

For key management remuneration see the related party disclosure (note 28).

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	10,600	-
Company contributions to defined contribution pension schemes	12,833	-
	<u>23,433</u>	<u>-</u>

During the year retirement benefits were accruing to 1 Directors (2015 - Nil) in respect of defined contribution pension schemes.

10. Interest receivable

	2016 £	2015 £
Other interest receivable	87,967	16,030
	<u>87,967</u>	<u>16,030</u>

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

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	108,279	126,749
	<u>108,279</u>	<u>126,749</u>

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	57,209	33,192
Adjustments in respect of previous periods	480	(121,228)
Total current tax	<u>57,689</u>	<u>(88,036)</u>
Deferred tax		
FRS102 transition adjustment	-	980,163
Origination and reversal of timing differences	12,122	-
Total deferred tax	<u>12,122</u>	<u>980,163</u>
Taxation on profit on ordinary activities	<u>69,811</u>	<u>892,127</u>

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

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2016 £	2015 £
Profit on ordinary activities before tax	<u>701,106</u>	<u>620,313</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	140,221	130,266
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	138	2,482
Capital allowances for year in excess of depreciation	353	271
Restatement of prior period group relief charge	-	(121,228)
Deferred tax not recognised	13,673	-
Transition adjustment to deferred tax in respect of the revalued properties	-	980,163
Other differences leading to an increase (decrease) in the tax charge	(1,071)	(94)
Group relief	(83,503)	(99,381)
Marginal relief	-	(352)
Total tax charge for the year	<u>69,811</u>	<u>892,127</u>

Factors that may affect future tax charges

Group relief credits are in respect of losses utilised by the Pirin Group, following a resolution by the Directors on 3 October 2012 authorising the transfer. The prior year adjustment relates to additional loss surrenders identified following approval of the 2014 financial statements.

The Company has a revaluation surplus of £9,788,581 (2015: £9,788,581). The potential deferred tax liability if all investment property had been sold at 31 March 2016 is £882,148 (2015: £980,163). A deferred tax liability has been provided for in these financial statements at a closing rate of 18%.

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

13. Tangible fixed assets

	Plant & machinery £
Cost or valuation	
At 1 April 2015	77,650
At 31 March 2016	<u>77,650</u>
Depreciation	
At 1 April 2015	8,541
Charge owned for the period	3,108
At 31 March 2016	<u>11,649</u>
Net book value	
At 31 March 2016	<u>66,001</u>
At 31 March 2015	<u>69,109</u>

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015	175
At 31 March 2016	<u>175</u>
Net book value	
At 31 March 2016	<u>175</u>
At 31 March 2015	<u>175</u>

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

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Baladine Properties Ltd	United Kingdom	Ordinary shares	75 %	Investment and development of property
Pirin Aeronautical Co Ltd	United Kingdom	Ordinary shares	100 %	Commercial chartering of an airplane

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Baladine Properties Ltd	(772,137)	(55,805)
Pirin Aeronautical Co Ltd	546	(3,872)
	<u>546</u>	<u>(3,872)</u>

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

15. Investment property

	Freehold investment property £
Valuation	
At 1 April 2015	13,600,000
At 31 March 2016	13,600,000

The 2015 valuations were made by Chartered Surveyors Eddisons Commercial Limited, on an open market value for existing use basis.

As at 31 March 2016 the Directors have undertaken a valuation exercise and have valued the properties on an open market value and an existing use basis at £13,600,000.

Deferred tax has been provided on the revalued gain as detailed in note 22.

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

16. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	2,274,703	1,378,896
Other debtors	55,019	128,688
Prepayments and accrued income	3,887	-
	<u>2,333,609</u>	<u>1,507,584</u>

17. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	547,532	1,373,274
	<u>547,532</u>	<u>1,373,274</u>

18. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	250,000	250,000
Trade creditors	-	7,189
Amounts owed to group undertakings	4,600	-
Corporation tax	59,746	-
Taxation and social security	1,046	485,983
Other creditors	84,999	55,379
Accruals and deferred income	256,930	255,012
	<u>657,321</u>	<u>1,053,563</u>

19. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	3,375,000	3,625,000
	<u>3,375,000</u>	<u>3,625,000</u>

Secured loans

The bank loan and overdraft are guaranteed by Fredereck Sage Company Limited and Pirin Holdings Limited, two other group companies, and are also secured by a fixed charge over the Company's investment properties.

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

20. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Amounts falling due 1-2 years		
Bank loans	3,375,000	3,625,000
	<u>3,375,000</u>	<u>3,625,000</u>

21. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,329,723	1,507,584
	<u>2,329,723</u>	<u>1,507,584</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

	2016 £	2015 £
Financial liabilities		
Financial liabilities measured at amortised cost	3,714,599	3,930,379
	<u>3,714,599</u>	<u>3,930,379</u>

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and bank loans.

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

22. Deferred taxation

	2016 £
At beginning of year	(980,163)
Charged to the profit or loss	(12,122)
Charged to other comprehensive income	98,016
At end of year	(894,269)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(11,880)	-
Tax losses carried forward	(241)	-
Revaluation of property	(882,148)	(980,163)
	<u>(894,269)</u>	<u>(980,163)</u>

23. Share capital

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

24. Reserves

Other reserves

The other reserve represents a revaluation reserve comprising gains and losses that have arose through the revaluation of property.

Profit & loss account

The profit and loss account comprises profits and losses that have accumulated year on year since the Company began trading, less the distribution of dividends paid.

25. Contingent liabilities

The Company has guaranteed the bank overdrafts of its fellow subsidiary, Fredereck Sage Co Limited and of the parent undertaking, Pirin Holdings Limited. This guarantee is unlimited. The group overdraft facility is £1,000,000 which is repayable on demand and reviewed annually. No liability existed at the balance sheet date under this guarantee (2015 - £Nil).

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

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £21,145 (2015 - £Nil). £Nil contributions (2015 - £Nil) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	16,500	-
Later than 1 year and not later than 5 years	-	16,500
Total	16,500	16,500

28. Related party transactions

As at 31 March 2016 Pirin Holdings Limited, the ultimate parent company, owed the Company £735,768 (2015 - £1,369,754).

As at 31 March 2016 the Company owed Pirin Aeronautical Co Limited, a subsidiary company, £4,600 (2015 - £2,557 debtor).

As at 31 March 2016 Pirin Developments (Greenyard) Limited, a company under common control, owed the Company £765,013 (2015 - £Nil).

As at 31 March 2016 Baladine Properties Limited, a subsidiary company, owed the Company £773,865 (2015 - £88,038). During the year £783,207 was loaned by the Company and £97,380 was repaid. Interest of 4% is charged on the loan.

As at 31 March 2016 Fredereck Sage Company Limited, a fellow subsidiary company, owed the Company £57 (2015 - £6,583 creditor).

During the year £27,293 was loaned to T Buisson, a Director of the Company. As at 31 March 2016 £27,293 was outstanding as owed to the Company (2015 - £Nil). This has been loaned interest free, there are no fixed repayment terms, and it is unsecured.

During the year the Company made payments totaling £35,334 to Directors of the company and key management personnel.

29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company is Pirin Holdings Limited, a Company registered in England and Wales. Pirin Holdings Limited prepares group financial statements and copies are available at Companies House. Pirin Holdings Limited was under the control of P D Hammond throughout the year.

PIRIN PLC

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

30. First time adoption of FRS 102

	Note	<i>As previously stated 1 April 2014 £</i>	<i>Effect of transition 1 April 2014 £</i>	FRS 102 (as restated) 1 April 2014 £	<i>As previously stated 31 March 2015 £</i>	<i>Effect of transition 31 March 2015 £</i>	FRS 102 (as restated) 31 March 2015 £
Fixed assets		13,172,211	-	13,172,211	13,669,284	-	13,669,284
Current assets		5,437,595	-	5,437,595	2,880,857	-	2,880,857
Creditors: amounts falling due within one year		(5,101,686)	-	(5,101,686)	(1,053,563)	-	(1,053,563)
Net current assets		335,909	-	335,909	1,827,294	-	1,827,294
Total assets less current liabilities		13,508,120	-	13,508,120	15,496,578	-	15,496,578
Creditors: amounts falling due after more than one year		-	-	-	(3,625,000)	-	(3,625,000)
Provisions for liabilities		2,844,890	980,163	3,825,053	-	980,163	980,163
Net assets		10,663,230	(980,163)	9,683,067	11,871,578	(980,163)	10,891,415
Capital and reserves		10,663,230	(980,163)	9,683,067	11,871,578	(980,163)	10,891,415

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

30. First time adoption of FRS 102 (continued)

	<i>As previously stated 31 March 2015 £</i>	<i>Effect of transition 31 March 2015 £</i>	FRS 102 (as restated) 31 March 2015 £
Turnover	965,621	-	965,621
Cost of sales	(38,018)	-	(38,018)
	<hr/>	<hr/>	<hr/>
	927,603	-	927,603
Administrative expenses	214,174	-	214,174
Other operating income	17,603	-	17,603
	<hr/>	<hr/>	<hr/>
Operating profit	731,032	-	731,032
Interest receivable and similar income	16,030	-	16,030
Interest payable and similar charges	(126,749)	-	(126,749)
Taxation	(892,127)	-	(892,127)
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year	(271,814)	-	(271,814)
	<hr/>	<hr/>	<hr/>

Explanation of changes to previously reported profit and equity:

- 1 A deferred taxation liability has been recognised on transition at 1 April 2014 of £980,163, being the deferred tax provided on the revaluation gain in respect of revalued property.