

Pera International

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 00412652

Pera International
(A Company Limited by Guarantee)

Company Information

Directors	R J Whysall A J Baxter P R Hughes P Tranter
Company secretary	L A Badjie
Registered number	00412652
Registered office	Pera Business Park Nottingham Road Melton Mowbray Leicestershire LE13 0PB
Independent auditor	BDO LLP Statutory Auditors Two Snowhill Birmingham B4 6GA

Pera International
(A Company Limited by Guarantee)

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Pera International

(A Company Limited by Guarantee)

Group Strategic Report **For the Year Ended 31 March 2022**

The Directors present their Strategic Report and the financial statements for the year ended 31 March 2022.

Principal activities, business review and future developments

Pera International continues as a membership-based company limited by guarantee as it has existed since its creation in 1946. Its purpose is to support innovation, primarily in companies in manufacturing sectors, by supporting the development of new strategies, and research for new products, standards and improved production techniques. The principal activities of the company's subsidiaries are business incubation and business park management.

The company has recently welcomed an additional non-executive director. Paul Tranter has extensive experience in the management and commissioning of research and development and latterly has been active in supporting early stage, technology-based, companies.

The partnership with PRA World Ltd ('PRAW') has previously been reported to include research and development to establish new quality assurance schemes for internal and external architectural structures. This followed R&D on chromate-free coating systems for manufacturers in the aerospace and defence sectors and new standards for coatings used in the agricultural, construction and earth-moving sectors. In 2021/22 the results were being actively disseminated to the relevant classes of trade.

In 2021 a new project with PRAW demonstrated a breakthrough in how the important paint ingredient titanium dioxide could be recovered from waste paints and also separated from colouring pigments, thus creating a recycled feedstock. Encouraged by these results Pera International has agreed funding over the next three years for research on scaling-up the technology from laboratory-scale to a higher volume, proof of principle. PRAW has the capability for R&D and information dissemination services inherited from its predecessor companies with a heritage back to 1926. Similar to Pera International, it has an industrial membership base and PRA World is located in the Pera Business Park in Melton Mowbray.

There is a Memorandum of Understanding with Loughborough University, whereby the Wolfson School of Mechanical, Electrical and Manufacturing Engineering will similarly act as a research partner for generation and dissemination of new knowledge into manufacturing sectors. The new R&D project on novel food processing technologies, "cooking with sound", has generated positive results which are being disseminated to the food processing industrial sector.

The Company has continued to encourage its subsidiaries to be pro-active in developing their premises in Melton Mowbray and Hampton to be suitable for small businesses to rent either at the business incubation or later growth stage, the relevant subsidiaries are Pera Business Park Limited and PRA Hampton Limited respectively. Despite another year of partial disruption due to the Covid pandemic it is a pleasure to report that the Pera Business Park Limited has continued with virtually full occupancy of over 100 tenant and remote-working companies. A flexible mix of offices, research areas and light workshop facilities is available, with a range of tenancy options from hot-desking for the smallest start-ups to large suites with bespoke layout. Investigations continue to see whether more space can be economically converted to provide room for tenant companies. The Company is intending to raise the necessary development funds by disposing of underused land.

Following substantial contributions during the last few years into the Pera defined-benefit pension scheme, closed to further accrual in 2001, the scheme is currently in surplus on a continuing basis. The Trustee of the Scheme, with Pera International's agreement, has adopted a capital-backed investment strategy which should lead to an insurance buy-out of the scheme by 2026. This should create greater certainty over the future resources available for R&D and certainty for members of the Scheme.

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Group Strategic Report (continued) **For the Year Ended 31 March 2022**

Principal risks and uncertainties

Listed investment performance - the Group and Parent Company hold listed investments, the values of which are subject to potential volatility in performance and this is managed through continuing monitoring and review by the Directors in conjunction with the external investment managers.

Defined benefit pension - the Group hold a defined benefit pension scheme in surplus which is frozen to future service accrual. The surplus on the pension scheme has been derecognised the previous year and this had a deficit impact on the net asset position of the Group.

Property values - the Group hold investment properties and is therefore subject to volatility in the property market and risk of lost tenants, the latter being mitigated through longer term leases.

Financial key performance indicators

The Directors consider net assets and cash flow to be the key financial performance indicators. Group net assets increased by £0.9 million in the year with a decrease in cash of £2.3 million.

Going concern

The financial statements have been prepared on a going concern basis. This requires the Directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Group has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Directors have undertaken procedures to ensure that the Group has sufficient cash resources. These procedures included the following:

- Reviewing and establishing that cash and cash equivalent balances are sufficient to cover at least twelve months of operations;
- Reviewing cash flow forecast scenarios. Any decision on property acquisitions and developments in the next twelve months will be taken following review of revised cash flow forecasts; and
- Performing credit checks on prospective tenants to assess credit risk. The checks include verification of income levels and capacity to pay, as well as checks of rental references. Any arrears are actively managed.

In the light of the results of the procedures described above, the Directors consider that the adoption of the going concern basis is reasonable and appropriate.

This report was approved by the board and signed on its behalf by:



R J Whysall
Director

Date: 16 November 2022

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Directors' Report **For the Year Ended 31 March 2022**

The Directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The profit for the year, after taxation, amounted to £4,606,000 (2021 - £959,000).

Directors

The Directors who served during the year were:

R J Whysall
A J Baxter
P R Hughes
P Tranter (appointed 1 January 2022)

Community and the environment

We recognise that in our day-to-day operations we inevitably impact on the environment and our local community. We strive to minimise detrimental environmental impact and to work with the tenant companies of our premises in Hampton and Melton Mowbray to be a constructive part of the local community.

Section 469 of the Corporation Tax Act 2010

During 2020, the Board reconfirmed its intention that the business of Pera International would continue to have scientific and technological research as its purpose and the Company would continue to be run in such a way that it remained compliant with Section 469 of the Corporation Tax Act 2010.

All non-qualifying activities of the Group are conducted through subsidiary companies whose profits are available to Pera International to pursue its purpose.

Future developments

Future developments are detailed in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

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Directors' Report (continued)
For the Year Ended 31 March 2022

Subsequent events

There are no subsequent events that have occurred since the reporting date that require additional disclosure in these financial statements.

This report was approved by the board and signed on its behalf by:



R J Whysall
Director

Date: 16 November 2022

Pera International

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Directors' Responsibilities Statement For the Year Ended 31 March 2022

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pera International

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Independent Auditor's Report to the Members of Pera International

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pera International (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, 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).

Basis for opinion on the financial statements

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Pera International

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Independent Auditor's Report to the Members of Pera International (continued)

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 auditor's 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. 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 knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of directors

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, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Pera International

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Independent Auditor's Report to the Members of Pera International (continued)

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and the Board, including obtaining and reviewing supporting documentation, concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to Group and the Parent Company based on our understanding of the Group and the Parent Company and sector experience and discussions with management. We considered the most significant laws and regulations for the Group and the Parent Company to be the applicable accounting framework, Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.
- Discussing among the engagement team, to assess how and where fraud might occur in the financial statements and any potential indicators of fraud and non-compliance with laws and regulation.
- We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:
 - We made enquiries of management and those charged with governance and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
 - We tested the appropriateness of accounting journals on a sample basis and other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year to identify and test any which we considered were indicative of management override.
 - We reviewed the Group's and the Parent Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.
 - We also tested manual journals posted to revenue, agreeing them to supporting documentation to check that they were appropriate, correctly recorded and supported by appropriate evidence.

Pera International

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Independent Auditor's Report to the Members of Pera International (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Paul Fenner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
B4 6GA
United Kingdom

Date: 16 November 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Pera International
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Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2022

	Note	2022 £000	2021 £000
Revenue	4	1,411	1,383
Cost of sales		(389)	(348)
Gross profit		1,022	1,035
Administrative expenses		(1,309)	(1,636)
Other operating income	5	10	40
Loss on fair valuation of investment properties		(220)	-
Operating loss	6	(497)	(561)
Income from fixed assets investments	10	264	161
Interest receivable and similar income	11	1	9
Interest payable and similar expenses	12	(1)	-
Other finance income	13	880	1,406
Profit before taxation		647	1,015
Tax on profit	14	3,959	(56)
Profit for the financial year		4,606	959
Actuarial losses on defined benefit pension scheme	29	-	(5,628)
Other comprehensive loss for the year		-	(5,628)
Total comprehensive income/(loss) for the year		4,606	(4,669)
Profit for the year attributable to:			
Owners of the parent Company		4,606	959

The notes on pages 18 to 39 form part of these financial statements.

Pera International
(A Company Limited by Guarantee)
Registered number:00412652

Consolidated Statement of Financial Position
As at 31 March 2022

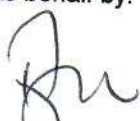
	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	15		-		7
Tangible fixed assets	16		42		32
Investments	17		20		20
Investment properties	18		8,060		8,280
			<u>8,122</u>		<u>8,339</u>
Current assets					
Stocks	19	104		89	
Debtors: amounts falling due within one year	20	4,148		215	
Current asset investments	21	10,199		7,092	
Cash at bank and in hand		1,023		3,278	
		<u>15,474</u>		<u>10,674</u>	
Creditors: amounts falling due within one year	22	(452)		(463)	
Net current assets			<u>15,022</u>		<u>10,211</u>
Total assets less current liabilities			<u>23,144</u>		<u>18,550</u>
Creditors: amounts falling due after more than one year	23		(32)		(42)
Provisions for liabilities					
Deferred tax	26		-		(2)
Net assets excluding pension asset			<u>23,112</u>		<u>18,506</u>
Pension asset	29		-		-
Net assets			<u><u>23,112</u></u>		<u><u>18,506</u></u>

Pera International
(A Company Limited by Guarantee)
Registered number: 00412652

Consolidated Statement of Financial Position (continued)
As at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Capital and reserves					
Other reserves	27		2,014		2,014
Retained earnings	27		21,098		16,492
			<u>23,112</u>		<u>18,506</u>

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



R J Whysall
Director

Date: 16 November 2022

The notes on pages 18 to 39 form part of these financial statements.

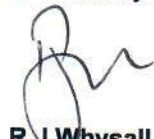
Pera International
(A Company Limited by Guarantee)
Registered number:00412652

Company Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible fixed assets	16		1		1
Investments	17		20		20
			<u>21</u>		<u>21</u>
Current assets					
Debtors: amounts falling due within one year	20	6,512		4,654	
Current asset investments	21	10,199		7,092	
Cash at bank and in hand		223		2,623	
		<u>16,934</u>		<u>14,369</u>	
Creditors: amounts falling due within one year	22	(2,095)		(243)	
Net current assets			<u>14,839</u>		<u>14,126</u>
Total assets less current liabilities			<u>14,860</u>		<u>14,147</u>
Pension asset	29		-		-
Net assets			<u><u>14,860</u></u>		<u><u>14,147</u></u>
Capital and reserves					
Retained earnings			<u><u>14,860</u></u>		<u><u>14,147</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Parent Company for the year was 713,000 (2021 - £923,000).

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



R J Whysall
Director

Date: 16 November 2022

The notes on pages 18 to 39 form part of these financial statements.

Pera International
(A Company Limited by Guarantee)

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2022

	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 April 2021	2,014	16,492	18,506	18,506
Comprehensive income for the year				
Profit for the financial year	-	4,606	4,606	4,606
Total comprehensive income for the year	-	4,606	4,606	4,606
At 31 March 2022	2,014	21,098	23,112	23,112

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2021

	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 April 2020	2,014	21,161	23,175	23,175
Comprehensive loss for the year				
Profit for the financial year	-	959	959	959
Actuarial losses on pension scheme	-	(5,628)	(5,628)	(5,628)
Total comprehensive loss for the year	-	(4,669)	(4,669)	(4,669)
At 31 March 2021	2,014	16,492	18,506	18,506

The notes on pages 18 to 39 form part of these financial statements.

Pera International
(A Company Limited by Guarantee)

Company Statement of Changes in Equity
For the Year Ended 31 March 2022

	Retained earnings £000	Total equity £000
At 1 April 2021	14,147	14,147
Comprehensive income for the year		
Profit for the financial year	713	713
Total comprehensive income for the year	713	713
At 31 March 2022	14,860	14,860

Company Statement of Changes in Equity
For the Year Ended 31 March 2021

	Retained earnings £000	Total equity £000
At 1 April 2020	16,063	16,063
Comprehensive loss for the year		
Profit for the financial year	923	923
Actuarial losses on pension scheme	(2,939)	(2,939)
Total comprehensive loss for the year	(2,016)	(2,016)
Contributions by and distributions to owners		
Gift aid	100	100
Total transactions with owners	100	100
At 31 March 2021	14,147	14,147

The notes on pages 18 to 39 form part of these financial statements.

Pera International
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Consolidated Statement of Cash Flows
For the Year Ended 31 March 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	4,606	959
Adjustments for:		
Amortisation of intangible assets	7	10
Depreciation of tangible assets	22	38
Government grants - Coronavirus job retention scheme	-	(25)
Interest paid	1	-
Interest received	(265)	(170)
Taxation charge	(3,959)	56
Increase in stocks	(15)	(89)
Increase in debtors	(1)	(85)
Increase in creditors	43	28
Net fair value gains recognised in P&L	(660)	(1,475)
Corporation tax paid	(31)	(25)
Net cash used in operating activities	(252)	(778)
Cash flows used in investing activities		
Purchase of tangible fixed assets	(32)	(22)
Purchase of short term listed investments	(2,227)	(2,449)
Government grants received	-	25
Interest received	265	170
Income from investments	-	139
Net cash used in investing activities	(1,994)	(2,137)

Pera International
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Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 March 2022

	2022 £000	2021 £000
Cash flows (used in)/from financing activities		
New secured loans	-	50
Repayment of loans	(8)	-
Interest paid	(1)	-
Net cash (used in)/generated from financing activities	(9)	50
Net decrease in cash and cash equivalents	(2,255)	(2,865)
Cash and cash equivalents at beginning of year	3,278	6,143
Cash and cash equivalents at the end of year	1,023	3,278
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,023	3,278

Consolidated Analysis of Net Debt
For the Year Ended 31 March 2022

	At 1 April 2021 £000	Cash flows £000	Other non- cash changes £000	At 31 March 2022 £000
Cash at bank and in hand	3,278	(2,255)	-	1,023
Debt due after 1 year	(42)	10	-	(32)
Debt due within 1 year	(8)	(2)	-	(10)
Current asset investments	7,092	2,227	880	10,199
	10,320	(20)	880	11,180

The notes on pages 18 to 39 form part of these financial statements.

Pera International

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 March 2022**

1. General information

Pera International is a private company limited by guarantee. It was incorporated in England and its registered office is Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB. The principal activity of the Company is scientific research and development. The principal activities of the Company's subsidiaries are primarily investment property management as well as other commercial activities.

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 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

All amounts in the financial statements have been rounded to the nearest thousand. The presentational currency of these financial statements is pound sterling.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the Parent Company; and
- no disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Company as a whole.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Pera International
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. This requires the Directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Group has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Directors have undertaken procedures to ensure that the Group has sufficient cash resources. These procedures included the following:

- Reviewing and establishing that cash and cash equivalent balances are sufficient to cover at least twelve months of operations;
- Reviewing cash flow forecast scenarios. Any decision on property acquisitions and developments in the next twelve months will be taken following review of revised cash flow forecasts; and
- Performing credit checks on prospective tenants to assess credit risk. The checks include verification of income levels and capacity to pay, as well as checks of rental references. Any arrears are actively managed.

In the light of the results of the procedures described above, the Directors consider that the adoption of the going concern basis is reasonable and appropriate.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income - rental income is recognised on an accrued basis.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough Scheme').

2.6 Interest income

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

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(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The pension surplus is not recognised in the Consolidated Statement of Financial Position as we do not recognise a pension surplus where there is no economic benefit to the Group through reduced pension contributions or refund.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques. The pension assets are valued on an estimate of the cost to buy-out the pension scheme in March 2026.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the Consolidated Statement of Comprehensive Income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

Pera International

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.8 Pensions (continued)

Defined benefit pension plan (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Consolidated Statement of Comprehensive Income as a 'finance expense'.

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, each entity recognises the net defined benefit cost charged in its own financial statements.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2.10 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

All intangible assets are considered to have a finite useful life. Intangible assets are amortised over a five year period.

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Notes to the Financial Statements **For the Year Ended 31 March 2022**

2. Accounting policies (continued)

2.11 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% to 33% on cost per annum
-----------------------	--------------------------------

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 Consolidated Statement of Comprehensive Income.

2.12 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 Consolidated Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress represents development assets in respect of building projects. Work in progress includes labour and attributable overheads.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.15 Debtors

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

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks, loans to related parties and investments in ordinary shares.

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial assets measured at amortised cost comprise cash at bank, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

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

Certain of the amounts included in the financial statements involve the use of judgment and/or estimation.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or notes the notes to the financial statements and the key areas are summarised below.

Investment property valuation

At each reporting date the director assess the fair value of the investment property based on the advice of a qualified surveyor. Nevertheless the fair value is subjective and may not be representative of a potential price between a willing buyer and willing seller at the balance sheet date.

Defined benefit pension scheme

Pension adjustments in respect of the defined benefit scheme are based on underlying actuarial valuation assumptions.

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

4. Revenue

The whole of the turnover is attributable to rental income and arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Interest received	-	2
Coronavirus job retention scheme	-	25
Grants received	-	13
Sundry income	10	-
	<u>10</u>	<u>40</u>

6. Operating loss

The operating loss is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible assets	22	38
Amortisation of intangible assets, including goodwill	7	10
	<u>29</u>	<u>48</u>

7. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	15	13
Fees payable to the Group's auditor and its associates in respect of:		
Other non-audit services	16	13
Audit of the Group's subsidiaries pursuant to legislation	18	15
	<u>34</u>	<u>28</u>

Pera International
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2022

8. Employees

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

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	423	506	-	-
Social security costs	31	30	-	-
Cost of defined benefit scheme	-	320	-	160
Cost of defined contribution scheme	152	191	142	182
	606	1,047	142	342

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

	2022 No.	2021 No.
Administration	19	18

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £Nil). The directors remuneration is paid by a group company.

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	191	191
Contributions to defined contribution pension schemes	11	10
	202	201

The total amount payable to the highest paid Director in respect of emoluments was £80,187 (2021 - £83,822). Company pension contributions of £7,750 (2021 - £7,624) were made to a defined contribution pension scheme on their behalf.

There are no key management personnel other than the Directors of the Group.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

10. Income from investments

	2022 £000	2021 £000
Income from fixed asset investments	264	161

11. Interest receivable and similar income

	2022 £000	2021 £000
Other interest receivable	1	9

12. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	1	-

13. Other finance income

	2022 £000	2021 £000
Interest income on pension scheme assets	-	130
Fair value movements on listed investments	880	1,276
	880	1,406

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Notes to the Financial Statements
For the Year Ended 31 March 2022

14. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	-	56
Adjustments in respect of previous periods	(25)	-
Total current tax	<u>(25)</u>	<u>56</u>
Deferred tax		
Origination and reversal of timing differences	(3,934)	-
Total deferred tax	<u>(3,934)</u>	<u>-</u>
Taxation on (loss)/profit	<u><u>(3,959)</u></u>	<u><u>56</u></u>

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	<u>647</u>	<u>1,015</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	123	193
Effects of:		
Expenses not deductible for tax purposes	8	113
Capital allowances for year in excess of depreciation	-	2
Non-taxable income	(167)	(287)
Deferred tax adjustments	(3,898)	563
Pension adjustment	-	(540)
Adjustment to tax charge in respect of previous periods	(25)	12
Total tax charge for the year	<u><u>(3,959)</u></u>	<u><u>56</u></u>

Pera International (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2022

14. Taxation (continued)

Factors that may affect future tax charges

The Corporation tax is calculated at 19% (2021 - 19%) of the estimated assessable profit for the year. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2020 on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred taxes at the Statement of Financial Position date have been measured using these enacted rates and reflected in these financial statements.

The UK government announced on 3 March 2021 that the government are intending to increase the corporation tax rate from 19% to 25% from April 2023.

15. Intangible assets

Group

	Goodwill £000
Cost	
At 1 April 2021	47
At 31 March 2022	<u>47</u>
Amortisation	
At 1 April 2021	40
Charge for the year	7
At 31 March 2022	<u>47</u>
Net book value	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>7</u>

Intangible assets represent the value of tenant agreements arising on the acquisition of Pera Business Park Limited during 2017. The intangible asset is being amortised over a five year period.

Amortisation of intangible assets is included in administrative expenses.

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

16. Tangible fixed assets

Group

	Fixtures and fittings £000
Cost	
At 1 April 2021	1,641
Additions	32
	<hr/>
At 31 March 2022	1,673
	<hr/>
Depreciation	
At 1 April 2021	1,609
Charge for the year	22
	<hr/>
At 31 March 2022	1,631
	<hr/>
Net book value	
At 31 March 2022	42
	<hr/> <hr/>
At 31 March 2021	32
	<hr/> <hr/>

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

16. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000
Cost	
At 1 April 2021	2
	<u>2</u>
At 31 March 2022	<u>2</u>
Depreciation	
At 1 April 2021	1
	<u>1</u>
At 31 March 2022	<u>1</u>
Net book value	
At 31 March 2022	1
	<u><u>1</u></u>
At 31 March 2021	<u><u>1</u></u>

17. Fixed asset investments

Group

	Other fixed asset investments £000
Cost or valuation	
At 1 April 2021	20
	<u>20</u>
At 31 March 2022	<u><u>20</u></u>

Other fixed asset investments constitute the purchase of art work, which is not depreciated.

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

17. Fixed asset investments (continued)

Company

	Other fixed asset investments £000
Cost or valuation	
At 1 April 2021	20
At 31 March 2022	<u>20</u>

Other fixed asset investments constitute the purchase of art work, which is not depreciated.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Pera Innovation Limited	Scientific research and development and investment property management	Ordinary	100%
Pera Business Park Limited*	Property rental management	Ordinary	100%
PRA Hampton Limited*	Investment property management	Ordinary	100%
Staveley Gardens Development Company Limited*	Development of building projects	Ordinary	100%
Staveley Lodge Development Company Limited*	Development of building projects	Ordinary	100%

* These entities are indirect subsidiaries of the Company.

During the period The Paint Research Association was struck off.

All entities are owned by Pera Innovation Limited, and have the same registered office of Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB.

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

18. Investment properties

Group

	Freehold investment property £000
Valuation	
At 1 April 2021	8,280
Movement on valuation	(220)
At 31 March 2022	8,060

One of the investment properties was valued on 8 September 2022 at fair value for 31 March 2022 by an independent, professionally qualified valuer, Snellers Commercial Chartered Surveyors, on an open market value for existing use basis. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual.

The Directors have performed an internal evaluation on other property, where the external valuation was performed by an independent third party valuer, Snellers Commercial Chartered Surveyors in 2020, and conclude that there is no change in the valuation of the property since then.

19. Stocks

	Group 2022 £000	Group 2021 £000
Work in progress	104	89

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

20. Debtors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	133	131	-	-
Amounts owed by group undertakings	-	-	6,506	4,647
Other debtors	53	47	-	-
Prepayments and accrued income	30	37	6	7
Deferred taxation	3,932	-	-	-
	4,148	215	6,512	4,654

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

21. Current asset investments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Listed investments	10,199	7,092	10,199	7,092

22. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	10	8	-	-
Trade creditors	52	65	42	28
Amounts owed to group undertakings	-	-	2,053	215
Corporation tax	-	56	-	-
Other taxation and social security	71	74	-	-
Other creditors	132	76	-	-
Accruals and deferred income	187	184	-	-
	452	463	2,095	243

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Notes to the Financial Statements
For the Year Ended 31 March 2022

23. Creditors: amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000
Bank loans	32	42

24. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £000	Group 2021 £000
Amounts falling due within one year		
Bank loans	10	8
Amounts falling due 1-2 years		
Bank loans	10	10
Amounts falling due 2-5 years		
Bank loans	22	30
Amounts falling due after more than 5 years		
Bank loans	-	2
	<u>42</u>	<u>50</u>

During the prior year the Company received a loan of £50,000 in relation to the Government's Covid-19 loan scheme. This loan is unsecured and repayable by monthly instalments of £833 scheduled to commence in May 2021 and end in April 2026. Interest is charged at 2.5% per annum.

25. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial instruments measured at fair value through the profit or loss	10,199	7,092	10,199	7,092

Financial assets measured at fair value through profit or loss comprise current asset investments.

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

26. Deferred taxation

Group

	2022 £000
At beginning of year	(2)
Charged to profit or loss	3,934
At end of year	3,932

	Group 2022 £000	Group 2021 £000
Accelerated capital allowances	165	(2)
Short term timing differences	-	263
Losses and other deductions	2,590	(263)
Capital losses	1,177	-
	3,932	(2)

27. Reserves

Retained earnings

Retained earnings includes all current and prior period retained profits and losses. This is inclusive of non-distributable reserve of £1,592,000, which represents net gain on revaluation of investment properties arose over the period.

Other reserves

Other reserves comprise of historical revaluation reserve arose on investment property revaluation in 2012, which was taken to equity as permitted by applicable GAAP at the time. Upon transition, the revaluation was kept in other reserves as allowed by transitional provision of FRS 102.

28. 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.

Pera International

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Notes to the Financial Statements **For the Year Ended 31 March 2022**

29. Pension commitments

The Group 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 £9,988 (2021 - £9,281). Contributions totalling £2,118 (2021 - £2,018) were payable to the fund at the Statement of Financial Position date.

The Group operates a Defined Benefit Pension Scheme.

A defined benefit pension fund exists for all eligible employees who joined the scheme prior to 1 May 1999. This is an approved funded pension scheme. The scheme assets are held separately and are secured by a self administered investment fund. The scheme was frozen to future service accrual in December 2001.

Pension liabilities are assessed in accordance with the advice of an independent professionally qualified actuary. The most recent actuarial valuation was carried out as at 31 December 2020 by KPMG Pensions and updated at 31 March 2021 and 31 March 2022 by a qualified independent actuary on an FRS 102 basis.

The funding method used for the valuation was the Defined Accrued Benefit method (using this method the valuation estimated the Technical Provisions (of future liabilities) of the pension fund as £24.4 million, whereas the market value of the assets were calculated as £31.8 million. This indicated a funding surplus of £7.4 million). By comparison the market value of assets at the previous valuation, as at 31 March 2020, were £34.0 million.

The Trustees of the Scheme ('the Trustees') and Pera International ('the Employer') have agreed level annual contribution of £200,000 will be paid by the Employer from March 2016 until March 2025 inclusive in respect of the shortfall in the Technical Provisions, allowing for the payments made in March 2025 of £4.276 million.

The disclosures below have been prepared by an independent actuary in accordance with FRS 102 in preparing the disclosure the actuary has relied on information provided by the Group.

The disclosures below represent the disclosures for the entire scheme, and the related accounting entries are reflected in the consolidated financial statements. The Company's own share of the surplus at 31 March 2022 was £Nil (2021 - surplus of £Nil).

The pension surplus is not recognised in the year ended 31 March 2022 as the scheme has changed its investment composition away from gilts and bonds to a special purpose vehicle. The actuary now values the pension assets based on the estimate cost using discounted cash flows, of the cost of the buy-out of the pension scheme, estimated 31 March 2026.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

29. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2022	2021
	£000	£000
Reconciliation of present value of plan liabilities		
At the beginning of the year	27,909	27,593
Interest cost	547	623
Actuarial gains/losses	(2,410)	1,627
Benefits paid	(1,629)	(1,934)
At the end of the year	24,417	27,909

Reconciliation of present value of plan assets:

	2022	2021
	£000	£000
At the beginning of the year	34,033	33,161
Interest income	671	753
Contributions	-	310
Benefits paid	(1,629)	(1,934)
Scheme administration expenses	-	(320)
Return on scheme assets excluding interest income	(1,246)	2,063
At the end of the year	31,829	34,033

Composition of plan assets:

	2022	2021
	£000	£000
Special Purpose Vehicle	34,033	34,033
Total plan assets	34,033	34,033

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

29. Pension commitments (continued)

	2022 £000	2021 £000
Fair value of plan assets	31,829	34,033
Present value of plan liabilities	(24,417)	(27,909)
Effect of the Asset Ceiling	(7,412)	(6,124)
Net pension scheme liability	<u>-</u>	<u>-</u>

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Interest income on plan assets	-	130
Gains on curtailments and settlements	-	(320)
Total	<u>-</u>	<u>(190)</u>

	2022 £000	2021 £000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	(1,246)	2,063
Experience gains and losses arising on the scheme liabilities	2,410	(1,627)
Changes in assumptions due to changes in investment strategy	-	(6,064)
Change in the asset ceiling excluding interest	(1,164)	-
	<u>-</u>	<u>(5,628)</u>

Pera International
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Notes to the Financial Statements
For the Year Ended 31 March 2022

29. Pension commitments (continued)

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2022	2021
	%	%
Discount rate	2.71	2.02
Future pension increases	3.85	3.42
Proportion of employees opting for early retirement	3.67	3.31
Mortality rates		
- for a male aged 65 now	21.2	24.1
- at 65 for a male aged 45 now	22.5	22.7
- for a female aged 65 now	23.3	23.5
- at 65 for a female member aged 45 now	24.8	25.0

30. Related party transactions

The Company is exempt under paragraph 33.1A of FRS 102 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.

The Group received revenue of £89,373 (2021 - £182,199) from PRA World Limited, a tenant of the business park. The Company is controlled by Mr A Baxter, Director.

31. Subsequent events

There are no subsequent events that have occurred since the reporting date that require additional disclosure in the financial statements.

32. Controlling party

In the opinion of the Directors there is no one ultimate controlling party.