REGISTERED NUMBER: 02954192 (ENGLAND AND WALES)

PINEAPPLE CORPORATION PLC

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

PINEAPPLE CORPORATION PLC

CONTENTS OF THE FINANCIAL STATEMENTS

PINEAPPLE CORPORATION PLC

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2015

Executive Directors:	T H Berglund A J Sperrin D C Farley
Non- Executive Director	A D D Crichton (appointed 24th November 2014)
Secretaries:	A J Sperrin J Naish
Registered office:	12 Blacks Road London W6 9EU
Registered number:	02954192 (England and Wales)
Independent auditor:	Harmer Slater Limited Salatin House 19 Cedar Road Sutton Surrey SM2 5DA

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

I am pleased to present my report for the year ended 31 March 2015.

Highlights

The company has continued to concentrate on maximising the returns and development potential of the investments acquired in recent years.

- We have completed the conversion of the house in multiple occupation in Hammersmith, referred to in my statement last year. We have created five new self-contained flats and a maisonette and these are now fully let at an annual rent of £110,000. The investment was recently valued at £2.78M (compared to the total development cost of £1.59M).
- In April 2014, one of our warehouse properties became vacant upon the expiry of a long term occupational lease. We have completed the refurbishment of the warehouse and converted the upper parts of the building into an artists studio complex. The gross rental from this building has been increased from £156,000 p.a. under the old occupational lease to £280,000 p.a.
- At the end of the year the entire UK investment portfolio was fully let.

The results of the company reflect the positive management of the Board.

- Adjusted Net Asset Value per share in the company has risen by 25p from 345p to 370p (an increase of 7.25%).
- Dividends per share paid for the year have increased from 15.1p to 15.5p (a 2.6% increase), showing a yield of 4.5% based on the NAV of the shares at the beginning of the year.
- Combining the growth in value per share plus the dividend yield shows that our shareholders have enjoyed a total return of 11.75% in the year.
- Profit before tax has increased by 30.3%.

In summary I feel that our objectives have been achieved in that we have substantially increased asset value, profits and dividends for our shareholders.

The future

I anticipate the results of the completed developments and the acquisitions carried out this year to feed through into increased gross rental income and improved results for the Group next year, both in terms of earnings and net asset value per share.

The directors continue to actively search for further profitable acquisitions. It should be noted that the company will only be able to benefit from such opportunities if new capital is raised to fund such further investment. The directors are actively seeking to raise new capital and this is referred to further in the strategic report on page 5.

Board and management

I am pleased to report that the company has retained the services of its existing board of executive directors and will continue to benefit from their years of experience and diversity of background, hopefully for years to come.

I am also pleased to welcome Andrew Crichton to the company as our first non-executive director. Andrew is a Chartered Accountant and founder member of the Caversham Group, a firm of Trust Accountants based in Geneva. From 2008-2012 Andrew was the Honorary Treasurer and Board Member of the Lawn Tennis Association (UK) and a member of the Committee of Management of the Wimbledon Tennis Championships. These positions involved significant governance and investment responsibilities. I am confident that his experience will strengthen the Board and benefit the company.

I would like to take this opportunity to thank all of our directors, business partners and shareholders for their continued support of the business.

THBerglund

T H Berglund
Chairman

Pineapple Corporation Plc

Strategic Report for the Year Ended 31 March 2015

The Directors are pleased to present their Strategic Report for the year ended 31 March 2015.

The Group

Pineapple Corporation Plc is the parent company of the Group and is listed on the Luxembourg Stock Exchange. It acts as the holding company of the Group and owns a portfolio of properties as an investment company. Its wholly owned principal subsidiary undertakings at 31 March 2015, all of which are property investment companies, are listed on page 44.

Strategy and Objectives

The company's objective is to enhance shareholder value by increasing asset value, increasing profits and increasing dividends.

The company seeks to achieve this through:

- maintaining a balanced portfolio of residential and commercial properties, with capital growth being generated from the residential portfolio and rental yield being generated by the commercial portfolio;
- by changing the portfolio mix as market conditions change;
- maximising the value of existing properties by exploiting any development potential;
- improving the lease/tenant profile of the commercial properties; and
- making further investments in properties where opportunities exist to significantly enhance the value of the asset.

The Business Model

Pineapple Corporation Plc is a Real Estate Investment Trust (REIT). Our business model focuses on enhancing shareholder value via a combination of increasing asset value, increasing profits and increasing dividends from our well balanced portfolio of residential and commercial investment properties.
This model drives our leasing/renting, planning and development strategy including ensuring that we let space to reliable tenants and minimising tenancy voids and their associated costs.
Our business model is based on having very low fixed overheads and utilising the services of trusted and experienced property advisors and agents.

Review of the Business and Future developments

Progress and events during the year

This year management has continued to concentrate on maximising the returns and development potential of the investments acquired in recent years.

As mentioned in the Chairmans statement, we have completed all of the outstanding developments from last year and completely renovated and relet the warehouse investment we own at Garratt Lane in SW London. At the end of the year the entire investment portfolio was fully let – not a single void unit.

Our objectives have been achieved in that we have substantially increased asset value, profits and dividends for our shareholders.

- Dividends per share paid for the year have increased from 15.1p to 15.5p, showing a yield of 4.5% based on the NAV of the shares at the beginning of the year.
- Adjusted Net Asset Value per share in the company has risen by 25p from 345p to 370p - an increase of 7.25%.
- Profit before tax has increased by 30.3%.

Portfolio

In line with our strategy we continue to maintain a diverse portfolio consisting of both residential and commercial properties. The values of our portfolio at 31 March 2015 is summarised as follows:

	London	Rest of UK	Finland	Total
Residential investments	22,425,484	2,861,668	-	25,287,152
Commercial investments	14,302,794	2,963,792	6,362,310	23,628,896
	36,728,278	5,825,460	6,362,310	48,916,048

Valuation

The group's property portfolio was revalued at the balance sheet date to fair value as follows: 61% of the portfolio amounting to £30M was externally valued by GVA Grimley Limited as at 30 October 2014 in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. The directors are of the opinion that it is unlikely that there has been a material change in value between the last valuation date and 31 March 2015 and in consequence have not updated the valuation. The remaining portfolio valuations were updated by the directors with assistance from Willmotts Chartered Surveyors at 31 March 2015 on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

At 31 March 2015 the valuation of properties was £48,916,048. After excluding the value of properties disposed of during the year, the valuation shows an overall increase in value of the UK portfolio of 8.5% and a decrease in value of the Finnish portfolio (in sterling terms) of 11.6%. Overall this results in a net increase in value of the portfolio of 5.2%.

Rental Growth

Gross UK rental income was £1,834,451 for the year compared to £1,761,758 for the year ended 31 March 2014, representing an increase of 4.1% on an annualised basis. This growth is relatively low due to the void period arising during the development of Delta House and Hammersmith Road. It is anticipated that stronger growth will be shown in 2016 now that these developments have been completed and fully let.

Gross rental income from Finland was down from £413,878 in 2014 to £304,360 in 2015 as a result of the void on the industrial unit outside Helsinki. A planning application has been prepared for the redevelopment of this unit but it is unlikely that this will be completed before the end of 2016.

Results

	2015	**2014**	change %
Gross rental income	2,138,809	2,175,636	(1.7)%
Profit before tax	3,752,925	2,879,177	30.3%
Profit before tax excluding gains on disposals and revaluations	526,840	522,520	0.8%
Adjusted earnings per share	9.2p	14.2p	(35.2)%
Earnings per share	50.1p	41.3p	21.3%
Dividends and PID's per share	15.5p	15.1p	2.6%

The increase in profit before tax and earnings per share are predominantly due to valuation gains on investment properties.

Cash Flow

Net cash flow generated from operations was £1,504,041 for the year compared with £1,404,960 for the year ended 31 March 2014.

The net cash outflow from investing activities was £2,907,747 for the year compared with a net cash inflow of £322,707 for the year ended 31 March 2014. The movement reflects the disposal of investment properties for cash (net of reinvestment) during the year.

Balance Sheet

	2015	**2014**	**2013**	**2012**
Adjusted Net Asset Value per share	370p	345p	322p	321p
Net debt/property	42%	43%	45%	45%
Net debt/equity	42%	43%	45%	46%

Note: Adjusted net asset value per share is a UK property industry measure which excludes deferred tax relating to the revaluation of investment properties. Details of the calculation are provided in note 20 to the consolidated financial statements.

Finance

The Group's gearing ratio has decreased from 43% to 42% as shown in note 20 to the financial statements.

The directors are actively pursuing new sources of equity finance to fund new profitable investment acquisitions and have held a series of meetings with their professional advisors to identify the most cost effective way of raising new capital.

This project is ongoing, but it is essential that new capital is raised in order to fund new investment acquisitions if the company is to continue to produce the returns it has been able to achieve in the past.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for assessing, evaluating and managing the risks to its business. The key risks to the business and the actions taken to mitigate these risks are as follows:

a) Economic Risk - Any economic downturn is likely to have an adverse effect on the short term capital growth prospects of the Groupõs investment portfolio.

The Group maintains a diverse mixed portfolio of residential and commercial properties (including warehouse and retail investments), principally in good locations in London and Helsinki. The Groupõs exposure to a downturn in any one sector of the property market is minimised.

A substantial proportion of the residential investment portfolio is reversionary and its capital value increases even when the market is static.

The investment portfolio contains a number of substantial properties where significant value can still be added, either by development or change of use.

b) Economic Risk - Bad debts and voids are more likely to arise during an economic downturn.

All substantial commercial tenants have strong financial covenants.

Tenant lease payments are monitored closely and where problems arise the company works closely with the tenant to ensure that any exposure is minimised.

c) Financial Risk ï If there is a significant fall in the value of the investment portfolio and the level of gearing is too high, this could result in breaches of banking covenants and calling in of loans.

The Groupõs current level of bank borrowing has been reduced to around 42% of the property valuation, well below the 55% loan to value ratio incorporated in the main banking facilities.

d) Financial Risk ï Adverse interest rate movements.

The Group is in talks with its bankers and is negotiating the terms of taking out an interest rate cap to cover its exposure to increased base rates over the term of its finance facility,

e) Financial Risk ï Some of the Groups investment portfolio is located in Finland, exposing the Group to a potential currency risk should the euro fall in value. Euro loans have been taken out to finance these investments mitigating the Groupõs exposure to any such currency losses.

OUR PEOPLE

Pineapple Corporation Plc is managed by a small team of three directors who bring a wealth of experience in the residential and commercial property sectors.

During the year Mr Andrew Crichton has been appointed as a non-executive director and brings an invaluable independent view to the operation of our Board and the company.

GENDER DIVERSITY

The board of directors currently comprises four male directors. The Group is committed to diversity and maintains a policy of recruiting the best candidate for every position.

COMMUNITY AND HUMAN RIGHTS ISSUES

Having given due consideration to relevant human rights issues and the small number of employees, we do not believe that the provision of detailed information in this area is relevant to the understanding of the performance and position of the business. However, we are confident that our business model and the transactions in which we engage do not contravene human rights principles or applicable legislation and in consequence we do not set any strategic targets in this area.

ENVIRONMENTAL MATTERS

The Group operates from a serviced office and is therefore not responsible for the environmental matters and greenhouse emissions related thereto.

The strategic report was approved by the Board on 14 July 2015

ON BEHALF OF THE BOARD:

A J Sperrin
Director

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

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

DIRECTORS

The directors who served during the period under review and up to the date of signing these financial statements were:

T H Berglund
A J Sperrin
D C Farley
A D D Crichton

DIVIDENDS

Dividends of £1,185,225 (including a property income distribution of £651,686) were distributed during the year ended 31 March 2015, increased from £1,069,346 (including a property income distribution of £509,230) in the previous year.

GOING CONCERN

The Directors, after having made appropriate enquiries, including (but not limited to) a review of the Group's budget/forecast for 2015/2016, and cash generating capacity at least 12 months from the date of signing (underpinned by long term leases in place and historic results), have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties that lead to significant doubt upon the Group's ability to continue as a going concern. For this reason they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

All of the current Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the Group's Auditors (as defined by section 418 of the Companies Act 2006) for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

AUDITOR

Harmer Slater Limited have expressed willingness to continue in office as auditor. A resolution to re-appoint Harmer Slater Limited and authorising the Directors to determine their remuneration will be submitted at the Annual General Meeting.

The report of the directors was approved by the Board on 14 July 2015

ON BEHALF OF THE BOARD:

A J Sperrin
Director

PINEAPPLE CORPORATION PLC

STATEMENT OF DIRECTORSôRESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles). 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 and of the profit or loss of the company and the Group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs and 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 company and 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 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.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015

In formulating the company's corporate governance procedures the Board of Directors takes due regard of the principles of good management and transparency as set down in the Principles of Governance of the Luxembourg Stock Exchange.

The Board does not feel that the appointment of more than one non-executive independent director is currently an affordable or cost effective option for the company in its current stage of development, though this continues to be reviewed on a regular basis.

The company has, throughout the year, been in full compliance with the ten principles set out in the Principles of Governance other than where the Principles recommend non-executive directors to fulfil certain roles (in which circumstances the full Board has adopted such a role).

The Board of Pineapple Corporation PLC is made up of three executive directors and one non-executive director.

The Board meets in person on a quarterly basis and by teleconference whenever the need arises, providing effective leadership and overall control of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditure, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the directors in a timely manner, prior to Board meetings. The Board also receives a summary financial report before each Board meeting.

All directors have access to the advice and services of the company secretary, who is responsible for ensuring that all Board procedures are followed. Any director may take independent professional advice at the company's expense in the furtherance of his duties.

The Audit Committee which meets not less than quarterly and considers the Group's financial reporting (including accounting policies) and internal financial controls, consists of the Full Board and is chaired by A J Sperrin. The committee receives reports from management and from the Group's auditors. The Group has in place a series of procedures and controls designed to identify and prevent the risk of loss. These procedures are formally documented and are reported on regularly. The Audit Committee has reviewed the systems in place and considers these to be appropriate.

The Remuneration Committee which meets at least once a year and is responsible for making decisions on directors' remuneration packages is chaired by T H Berglund and comprises the Full Board.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all shareholders at the same time in accordance with the Luxembourg Stock Exchange rules. The company's principal communication is through the Annual General Meeting and through the annual report and accounts.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PINEAPPLE CORPORATION PLC

We have audited the consolidated financial statements of Pineapple Corporation Plc for the year ended 31 March 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report, including the opinions, has been prepared for and only for the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for out audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 10, the directors are responsible for the preparation of the consolidated 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 consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

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 Group'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 annual 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 consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

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 consolidated financial statements are prepared is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- certain disclosures of directorsôremuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent company financial statements of Pineapple Corporation Plc for the year ended 31 March 2015.

Ransford Agyei-Boamah (senior statutory auditor)
for and on behalf of
Harmer Slater Limited
Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey SM2 5DA

14 July 2015

PINEAPPLE CORPORATION PLC

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 March 2015

	Note	2015 £	2014 £
Continuing operations			
Gross rental revenue		2,138,809	2,175,636
Property operating expenses		(557,107)	(399,898)
Net rental income		1,581,702	1,775,738
Administrative expenses		(426,478)	(490,902)
		1,155,224	1,284,836
Net valuation gains on investment properties		3,044,028	1,862,119
Profit on disposal of investment properties		182,057	494,538
Operating profit	*6*	4,381,309	3,641,493
Finance income		19,817	73
Finance expenses		(648,201)	(819,363)
Change in fair value of bank borrowings		-	(166,008)
Change in fair value of derivative financial instruments		-	222,982
Net financing costs		(628,384)	(762,316)
Profit on ordinary activities before taxation		3,752,925	2, 879,177
Income tax credit	*8*	12,858	46,186
Profit for the year after taxation attributable to equity shareholders		3,765,783	2,925,363

Earnings per share

		2015	2014
Basic and diluted earnings per share	*10*	50.1p	41.3p

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2015

	2015 £	2014 £
Profit for the year after taxation	3,765,783	2,925,363
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	(543,211)	(117,956)
Other comprehensive loss for the year	(543,211)	(117,956)
Total comprehensive income for the year attributable to shareholders of the company	3,222,572	2,807,407

The accompanying notes form an integral part of these financial statements

PINEAPPLE CORPORATION PLC

CONSOLIDATED BALANCE SHEET

As at 31 March 2015

	Note	2015 £	2014 £
Assets			
Non-current assets			
Investment properties	12	48,916,048	43,913,378
Total non-current assets		48,916,048	43,913,378
Current assets			
Inventories	13	3,500	3,500
Trade and other receivables	14	783,254	753,459
Cash and cash equivalents	15	178,194	350,285
Total current assets		964,948	1,107,244
Total assets		49,880,996	45,020,622
Liabilities			
Current liabilities			
Interest-bearing loans and borrowings	16	601,244	15,895,399
Trade and other payables	17	2,959,725	1,923,677
Total current liabilities		3,560,969	17,819,076
Non-current liabilities			
Interest-bearing loans and borrowings	16	17,955,592	2,466,120
Deferred tax liabilities	18	75,374	79,119
Total non-current liabilities		18,030,966	2,545,239
Total liabilities		21,591,935	20,364,315
Net assets		28,289,061	24,656,307
Equity			
Issued capital	19	7,666,902	7,172,255
Share premium		4,464,098	3,363,338
Translation reserve		108,983	652,194
Retained earnings		16,049,078	13,468,520
Total equity		28,289,061	24,656,307

The consolidated financial statements of Pineapple Corporation Plc (registration number 02954192) were approved by the Board of directors and authorised for issue on 14 July 2015

ON BEHALF OF THE BOARD:

A J Sperrin
Director

The accompanying notes form an integral part of these financial statements

Pineapple Corporation Plc

Consolidated statement of Changes in Equity

	Share capital £	Share premium £	Retained earnings £	Translation reserve £	Total equity £
Balance at 1 April 2013	7,001,448	2,984,147	11,612,503	770,150	22,368,248
Comprehensive income					
Profit for the year	-	-	2,925,363	-	2,925,363
Foreign exchange translation differences	-	-	-	(117,956)	(117,956)
Total comprehensive income for the year	-	-	2,925,363	(117,956)	2,807,407
Transactions with owners					
Share issues	170,807	379,191	-	-	549,998
Dividends	-	-	(1,069,346)	-	(1,069,346)
Transactions with owners	170,807	379,191	(1,069,346)	-	(519,348)
Balance at 31 March 2014	7,172,255	3,363,338	13,468,520	652,194	24,656,307
Balance at 1 April 2014	7,172,255	3,363,338	13,468,520	652,194	24,656,307
Comprehensive profit					
Profit for the year	-	-	3,765,783	-	3,765,783
Foreign exchange translation differences	-	-	-	(543,211)	(543,211)
Total comprehensive income/expense	-	-	3,765,783	(543,211)	3,222,572
Transactions with owners					
Share issues	494,647	1,100,760	-	-	1,595,407
Dividends	-	-	(1,185,225)	-	(1,185,225)
Transactions with owners	494,647	1,100,760	(1,185,225)	-	410,182
Balance at 31 March 2015	7,666,902	4,464,098	16,049,078	108,983	28,289,061

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries that have a different functional currency from the presentation currency. Exchange differences arising are classified as equity and transferred to the Groupõs translation reserve. Such translation differences are recognised in the income statement in the period in which the operation is disposed of.

The accompanying notes form an integral part of these financial statements

PINEAPPLE CORPORATION PLC

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended 31 March 2015

	2015	2014
	£	£
Cash flows from operating activities		
Operating profit	4,381,309	3,641,493
Adjustments for non-cash items:		
Profit on disposal of investment property	(182,057)	(494,538)
Revaluation of investment property	(3,044,028)	(1,862,119)
Decrease/ (increase) in debtors	(15,442)	108,136
Increase/ (decrease) in creditors	364,259	11,988
Cash generated from operations	1,504,041	1,404,960
Interest paid	(624,019)	(880,314)
Tax paid	-	(14,690)
Net cash from operating activities	880,022	509,956
Cash flows from investing activities		
Interest received	19,817	73
Acquisition of investment properties	(4,069,732)	(1,381,857)
Sale of investment properties	1,142,168	1,704,491
Net cash (outflow)/inflow from investing activities	(2,907,747)	322,707
Cash flows from financing activities		
Proceeds from the issue of share capital	1,593,416	549,998
Equity dividends paid	(1,159,914)	(1,009,594)
New bank borrowings	16,482,627	523,211
Other loans received	1,128,495	322,371
Other loans repaid	(196,002)	(320,432)
Bank borrowings repaid	(16,062,844)	(578,409)
Net cash outflow from financing activities	1,785,778	(512,855)
Net increase/ (decrease) in cash and cash equivalents	(241,947)	319,808
Cash and cash equivalents at beginning of year	327,333	23,779
Effect of exchange rate fluctuations on cash held	13,273	(16,254)
Cash and cash equivalents at end of year	98,659	327,333

Cash and cash equivalents for the purposes of the consolidated statement of cash flow is presented net of bank overdraft amounting to £56,583 at 31 March 2015 (2014: £22,952).

The accompanying notes form an integral part of these financial statements

PINEAPPLE CORPORATION PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Nature of operation and going concern

Pineapple Corporation Plc (the ñcompanyò) is a company registered in England and Wales. The consolidated financial statements of the company for the year ended 31 March 2015 comprise the company and its subsidiaries (together referred to as the ñGroupò).

The Group financial statements have been prepared on a going concern basis which assumes that the Group will be able to meet its liabilities as they fall due. The Groupôs cash flow forecasts show that it has adequate resources available to continue in operational existence for the foreseeable future. In preparing these forecasts the Directors have taken into account the potential breaches of various financing covenants if there are reductions in property valuations and the due dates for repayment of significant loans.

Having taken these matters into account the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations adopted by the International Accounting Standards Board (ñIASBò), as adopted by the European Union and with the parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (ñIASBò) and endorsed by the EU that are relevant to its operations and effective for accounting periods beginning 1 April 2014. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Group.

The Group has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretations which have been issued by the IASB and endorsed by the EU but have not been adopted will have a material impact on the financial statements.

3 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis as modified by the revaluation of investment properties, derivatives and bank borrowings. The accounting policies set out below have been applied consistently by Group entities to the period presented in these consolidated financial statements.

3 Significant accounting policies (continued)

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements for the year ended 31 March 2015 incorporate the financial statements of Pineapple Corporation PLC (the company) and all its subsidiary undertakings (the Group). Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Sterling at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

(iii) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to translation reserve. They are released into the income statement upon disposal.

3 Significant accounting policies (continued)

(d) Investment properties

Investment properties are properties owned or leased under finance leases by the Group which are held either for long-term rental income or for capital appreciation or both. Investment properties are initially recognised at cost (including related transaction costs) and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers. The basis of valuation of properties is described in note 12. Properties are treated as acquired at the point when the Group assumes the significant risks and returns of ownership and as disposed when these are transferred to the buyer. This generally occurs on unconditional exchange, except where completion is expected to occur significantly later than exchange. Additions to investment properties consist of costs of a capital nature. In accordance with IAS 40: Investment Property, investment property held under a finance lease is stated gross of the recognised finance lease liability.

Gains or losses arising from changes in the fair value of investment property are included in the income statement of the period in which they arise. In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Additions to investment properties consist of costs of a capital nature.

When the Group redevelops an existing investment property for continued future use as an investment property, the property remains an investment property measured at fair value through the income statement.

(e) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions that have occurred since 1 January 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment (see accounting policy 3(j)).

Negative goodwill arising on an acquisition is recognised directly in the income statement.

(f) Inventories

Inventories comprise those properties held for sale or those being developed with a view to sell and are valued at the lower of cost and net realisable value.

(g) Financial instruments

Financial assets and financial liabilities are recognised in the Groupõs balance sheet when the Group becomes a party to the contractual provisions of the instrument.

3 Significant accounting policies (continued)

(h) Trade and other receivables

The carrying amount of trade and other receivables are a reasonable approximation of their respective fair values and in consequence are not remeasured at fair values. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the assetҳ carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Groupҳ cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(j) Impairment

The carrying amounts of the Groupҳ assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assetҳ recoverable amount is estimated (see accounting policy 3(j) (i)).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assetҳ carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

(k) Trade and other payables

The carrying amount of trade and other payables is a reasonable approximation of their respective fair values and in consequence are not remeasured at fair values.

(l) Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the income statement over the period of the borrowings using the effective interest rate method.

(m) Revenue recognition

The Group recognises revenue on an accruals basis, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group. Revenue comprises rental income and the sale of property development stock.

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease.

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised as the conditions are satisfied.

(n) Operating lease arrangements

The Group earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(o) Expenses

All expenses are recognised in the income statement on an accrual basis.

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3 Significant accounting policies (continued)

(p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The UK Group is a Real Estate Investment Trust (REIT); in consequence corporation tax is not payable on the income and gains generated from the tax exempt property business in the UK.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is not provided on timing differences arising from revaluation of investment properties within the UK REIT regime as any gains realised would be exempt from taxation as long as the REIT conditions are met.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

4 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment properties

The groupộs property portfolio was revalued at the balance sheet date to fair value as follows: 61% of the portfolio amounting to £30M was externally valued by GVA Grimley Limited as at 30 October 2014 in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. The directors are of the opinion that it is unlikely that there has been a material change in value between the last valuation date and 31 March 2015 and in consequence have not updated the valuation. The remaining portfolio valuations were updated by the directors with assistance from Willmotts Chartered Surveyors at 31 March 2015 on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale. The investment property valuation is inherently subjective and contains a number of assumptions upon which GVA Grimley Limited and the Directors have based their valuation of the Groupộs properties. The assumptions on which the Property Valuation Reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties and the structural condition of the properties.

Any variation in the valuations would have a material effect on the profit after tax and the net asset value of the Group.

Deferred tax

The deferred tax provision is based on the valuation of investment properties. Any variation in the valuations would affect the profit after tax and the net asset value.

5. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segments and to assess their performance.

5. Operating segments (continued)

All the Groupõs operations relate to property investment and as such the Group has only one segment. Additional information regarding geographical location is provided below:

	2015			2014		
	United Kingdom	Finland	Group	United Kingdom	Finland	Group
	£	£	£	£	£	£
Rental income	1,834,449	304,360	2,138,809	1,761,758	413,878	2.175,636
Property expenses	(261,176)	(295,391)	(557,107)	(190,127)	(209,771)	(399,898)
Net rental income	1,573,273	8,969	1,581,702	1,571,631	204,107	1,775,738
Property sales	1,179,303	-	1,179,303	1,704,491	-	1,704,491
Cost of sales	(997,246)	-	(997,246)	(1,209,953)	-	(1,209,953)
Profit on sale of properties	182,057	-	182,057	494,538	-	494,538
Operating profit/(loss)	4,372,340	8,969	4,381,309	3,690,436	(48,943)	3,641,493
Total assets	43,397,472	6,483,524	49,880,996	37,716,755	7303,867	45,020,622
Segment liabilities	18,049,226	3,542,709	21,591,935	17,666,549	2,697,766	20,364,315
Total capital expenditure	3,746,994	-	3,746,994	2,048,416	-	2,048,416
Depreciation	-	-	-	-	-	-

During the year gross rental income from one tenant in the United Kingdom amounted to £370,000 (2014: £385,000) representing more than 10% of the Groupõs revenue.

6. Operating profit

The operating profit is after charging:

	2015	2014
	£	£
Auditor's remuneration:		
Audit fees - parent company and consolidated financial statements	23,847	31,800
Audit fees ï subsidiary undertakings	9,840	9,360

The Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

7. Personnel expenses

Salary costs

	2015	2014
	£	£
Short term employee benefits	60,500	-
Compulsory social security contributions	6,679	-
	67,179	-

Number of employees

The average number of employees (including Directors) during the year was as follows:

	2015	2014
Administration	3	-

8. Income tax expense

Recognised in the income statement	2015	2014
	£	£
Current tax expense		
Current income tax	-	(106)
Under provision in respect of previous years	-	14,667
Total income tax expense in income statement	-	14,561
Deferred tax expense		
Deferred tax on revaluation of investment properties	(12,858)	(60,747)
	(12,858)	(60,747)
Total tax credit	(12,858)	(46,186)

UK Corporation tax is calculated at 21% (2014: 23%) of the estimated taxable profit for the year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit per the income statement as follows:

Reconciliation of effective tax rate	2015	2014
	£	£
Profit on ordinary activities before taxation	3,752,925	2,879,177
Income tax using the domestic corporation tax rate of 21% (2014: 23%)	788,114	662,211
Effect of higher/(lower) tax rate in overseas jurisdictions		11,548
REIT exempt property gains	(38,232)	(95,359)
REIT exempt property rental profits and revaluations in the year	(762,740)	(639,253)
Under provision in respect of previous years	-	14,667
Total income tax credit in the income statement (as above)	(12,858)	(46,186)

8. Income tax expense (continued)

Pineapple Corporation PLC has a Group Real Estate Investment Trust (GREIT) status. The Group does not pay UK corporation tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal.

The standard rate of UK corporation tax decreased from 23% to 21% with effect from 1 April 2014. A further decrease to 20% occurred on 1 April 2015. As a result future taxable profits will be subject to tax at this rate.

9. Dividends

Amounts recognised as distributions to equity shareholders in the year are as follows:

	2015 Dividend paid per share Pence	2015 £	2014 Dividend paid per share Pence	2014 £
Ordinary dividend paid on 19 September 2014 (20 September 2013)	7.0	533,539	8.0	560,116
Property income distribution paid on 20 March 2015 (27 March 2014)	8.5	651,686	7.1	509,230
	15.5	1,185,225	15.1	1,069,346

10. Earnings per share

Basic earnings per share

Earnings per share and adjusted earnings per share have been calculated using the weighted average number of shares in issue during the year of 7,441,925 (2014: 7,066,355) as follows:

	2015 Profit after tax £	2015 Earnings per share Pence	2014 Profit after tax £	2014 Earnings per share Pence
Basic and diluted	3,765,783	50.1	2,925,363	41.3
Gain on revaluation of investment properties	(3,044,028)	(40.9)	(1,862,119)	(26.3)
Change in fair value of derivative instruments	-	-	(222,982)	(3.2)
Change in fair value of bank borrowings	-	-	166,008	2.3
Adjusted	721,755	9.2	1,006,270	14.2

Diluted earnings per share is the same as basic earnings per share as there were no dilutive instruments.

11. Result of parent company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent companyôs profit for the financial year was £511,813 (2014: £834,956).

12. Tangible fixed assets

	Investment Properties £
Cost	
Balance at 1 April 2013	41,371,977
Acquisitions	2,048,416
Disposals	(1,209,953)
Revaluation	1,862,119
Foreign exchange differences	(159,181)
Balance at 31 March 2014	43,913,378
Balance at 1 April 2014	43,913,378
Acquisitions	3,746,994
Disposals	(960,112)
Revaluation	3,044,028
Foreign exchange differences	(828,240)
Balance at 31 March 2015	48,916,048
Depreciation and impairment losses	
Balance at 1 April 2013	-
Released on disposals	-
Balance at 31 March 2014	-
Balance at 1 April 2014	-
Released on disposals	-
Balance at 31 March 2015	-
Carrying amounts	
At 31 March 2014	43,913,378
At 31 March 2015	48,916,048

The group's property portfolio was revalued at the balance sheet date to fair value as follows: 61% of the portfolio amounting to £30M was externally valued by GVA Grimley Limited as at 30 October 2014 in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. The directors are of the opinion that it is unlikely that there has been a material change in value between the last valuation date and 31 March 2015 and in consequence have not updated the valuation. The remaining portfolio valuations were updated by the directors with assistance from Willmotts Chartered Surveyors at 31 March 2015 on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

The Group considers all of its investment properties to fall within 'Level 2', as described by IFRS13. Accordingly, there has been no transfer of properties within fair value hierarchy in the financial year.

The historical cost of properties at 31 March 2015 was £36,929,812 (31 March 2014: £33,769,591). The historical cost of leasehold properties included within the above amounted to £3,941,948 (31 March 2014: £2,850,977).

12. Tangible fixed assets (continued)

The independent valuation of all property assets uses market evidence and also includes assumptions regarding income expectations and yields that investors would expect to achieve on those assets over time. Many external economic and market factors, such as interest rate expectations, bond yields, the availability and cost of finance and the relative attraction of property against other asset classes, could lead to a reappraisal of the assumptions used to arrive at current valuations. In adverse conditions, this reappraisal can lead to a reduction in property values and a loss in net asset values.

13. Inventories

	2015	2014
	£	£
Property trading stock	3,500	3,500

14. Trade and other receivables

	2015	2014
	£	£
Rent receivable	106,649	151,831
Other receivables	466,891	524,217
Prepayments and accrued income	209,714	77,411
	783,254	753,459

Rent receivables are all considered past due as they relate to rents receivable from tenants all of which are payable in advance. In accordance with IFRS 7, the amounts shown as past due represent the total credit exposure.

15. Cash and cash equivalents

	2015	2014
	£	£
Bank balances	178,194	350,285
Cash and cash equivalents	178,194	350,285

16. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Groupҳ interest-bearing loans and borrowings. For more information about the Groupҳ exposure to interest rate risk, see note 20.

	2015	2014
	£	£
Current liabilities		
Bank overdraft	79,535	22,952
Bank loans	521,709	15,872,447
	601,244	15,895,399
Non-current liabilities		
Bank loans	17,955,592	2,466,120
	17,955,592	2,466,120
Total borrowings	18,556,836	18,361,519

Repayment analysis

	2015	2014
	£	£
Total borrowings		
Within one year	601,245	15,895,399
One to two years	521,709	288,476
Two to three years	380,038	413,076
Three to four years	255,038	284,693
Four to five years	255,038	289,468
Over five years	16,543,770	1,190,407
	18,556,836	18,361,519

The bank loans are secured by fixed and floating charges over the Groupҳ assets. Interest is payable at 3% over National Westminster Bank Plcҳ Base Rate on sterling denominated loans of £16,318,361. In addition, interest is payable at 1.25% above EURIBOR on Euro loans of Euros 2,952,194. The loans mature on various dates between 2014 and 2021.

17. Trade and other payables

	2015	2014
	£	£
Trade payables	198,971	160,011
Other payables	2,153,486	652,785
Other taxes	112,935	77,591
Accruals and deferred income	494,333	1,033,290
	2,959,725	1,923,677

18. Deferred tax provision

	2015	2014
	£	£
Deferred tax		
Opening balance	79,119	142,812
Exchange differences	9,113	(2,946)
Reversal of temporary differences:		
Revaluation of overseas based investment properties	(12,585)	(60,747)
Closing balance	75,374	79,119

The deferred tax liability at 31 March 2015 arises from revaluation in respect of the Group's Finnish investment properties which are not within the UK REIT regime. The deferred tax liability arising has been provided using the Finnish capital gains tax rate of 24.5% (2014: 24.5%).

The deferred tax liability arising from the revaluation gains from investment properties held by the acquired subsidiaries is extinguished upon the subsidiaries joining the Group REIT.

19. Capital and reserves

Share capital	*Number*
In issue at 1 April 2013	7,001,448
Issued for cash	170,807
In issue at 31 March 2014	7,172,255
In issue at 1 April 2014	7,172,255
Issued for cash	494,647
In issue at 31 March 2015	7,666,902

19. Capital and reserves (continued)

Issue of ordinary shares

On 9 June 2014 the company issued 281,250 ordinary shares of £1 each at a premium of £2.20 raising cash of £900,000.

On 27 June 2014 the company issued 168,477 ordinary shares of £1 each at a premium of £2.20 raising cash of £539,126.

On 8 September 2014 the company issued 9,213 ordinary shares of £1 each at a premium of £2.38 raising cash of £31,140.

On 14 October 2014 the company issued 27,577 ordinary shares of £1 each at a premium of £2.45 raising cash of £95,141.

On 7 January 2015 the company issued 8,130 ordinary shares of £1 each at a premium of £2.69 raising cash of £30,000.

20. Risk and financial instruments

The group has no derivative financial instruments at 31 March 2015.

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk, credit risk and liquidity risk each of which is discussed below.

Foreign currency risk

The Group has a subsidiary undertaking located in Finland. The Finnish subsidiary receives income, incurs expenses and holds net assets in Euros. The Group's principal exchange rate exposure is therefore related to movements between the Euro and Sterling. The Group's cash resources and bank loans are denominated in Sterling and Euros. The Group has a downside exposure to any weakening of the Euro as this would decrease the value of the Finnish investment property in Sterling terms. Any strengthening of the Euro would however result in an increase in the value of the Finnish investment property. Any such movements would affect the Consolidated Balance Sheet when the net assets of the Finnish Subsidiary are translated into Sterling. The policy in relation to the translation of foreign currency assets and liabilities is set out in note 1, 'Accounting Policies Foreign Currencies' to the consolidated financial statements.

At 31 March 2015 the Group had Euro denominated bank loans and overdraft of £2,229,306 (Euros 3,048,415) (2014: £2,613,727 (Euros 3,162,404)) which was held by its Finnish subsidiary undertaking.

Based on the net assets of the Finnish subsidiary undertaking at the year end, a 10% weakening or strengthening of sterling would have a £nil (2014: £nil) impact in the income statement and equity except upon disposal of the subsidiary.

Liquidity risk

The Group relies on a mix of shareholder funding and bank loans to finance its operations. The main liquidity risk arises from loan covenants and renewal/repayment of loans when they are due for renewal/repayment. The Group regularly monitors its financial ratios to ensure that it complies with the loan covenants.

20. Risk and financial instruments (continued)

Interest rate risk

The Group finances its operations in the UK and Finland through retained profits and medium term bank borrowings. UK borrowings are subject to an interest rate of 3% above the National Westminster Bank Plc@s Base Rate over the term of the loan. Finnish borrowings are subject to an interest rate of 3% above EURIBOR over the term of the loan. Interest rate swaps have not been used to fix the interest rate risk exposure.

Based on the Group@s average interest rate at the balance sheet date, a 400 bps increase in the National Westminster Bank Plc@s Base Rate and a 214 pbs increase in EURIBOR would increase net interest payable in the income statement and reduce equity by £0.7m (2014: £1m). Similarly, a 50 bps reduction in the National Westminster Bank Plc@s Base Rate and a 19 pbs reduction in EURIBOR would decrease net interest payable in the income statement and increase equity by £88,000 (2014: £100,000). The sensitivity has been calculated by using the largest annual changes in both the National Westminster Bank Plc@s Base Rate and the 3 month EURIBOR over the last ten years. The impact assumes both rates will not fall below 0%.

Credit risk

The Group@s principal exposure to credit risk arises from rent and other receivables as detailed in note 14. The Group@s bank deposits are held with high quality financial institutions in order to minimise credit risk. The maximum credit risk to which the Group was exposed at 31 March 2015 was £960,278 (2014: £1,102,422).

The Group@s credit risk is primarily attributable to its rent and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group@s management, based on prior experience and their assessment of the current economic environment.

Financial assets

The Group holds floating rate financial assets which comprise interest earning bank deposits at rates set by reference to the prevailing LIBOR or equivalent to the relevant country. The Group has no fixed rate deposits. The fair value of short term deposits is assumed to approximate to their book values.

Financial liabilities

Details of the Group@s financial liabilities are included in note 16. The fair values of the Group@s borrowings are calculated by discounting expected future cash flows at prevailing interest rates. The Group@s obligation is to repay its bank loans at par value on the maturity dates.

The average interest rate for the fixed rate bank loans outstanding at 31 March 2015 was 3.24% (2014: 3.2%).

Fair values

The classes of financial instruments are the same as the line items included on the face of the balance sheet and have been analysed in more detail in the notes to the accounts. All the Group@s financial assets are categorised as loans and receivables and all financial liabilities are measured at amortised cost.

Valuation heirarchy

The carrying value of the company@s financial instruments at 31 March 2015 approximates their fair values and therefore were not measured at fair value. Consequently, no fair value hierarchy has been presented.

20. Risk and financial instruments (continued)

Capital risk management

The Groupӳ objectives when managing capital are to safeguard the entityӳ ability to continue as a going concern so that it can continue to increase the value of the entity for the benefit of shareholders.

Consistent with others in the industry the Group monitors capital on the basis of the net asset value per share and the gearing ratio.

Net asset value

The net asset values and adjusted net asset values per share at 31 March 2015 and 2014 were as follows:

	2015	2014
	£	£
Net assets	28,289,061	24,656,307
Adjustment to net assets relating to deferred tax on investment properties	75,374	79,119
Adjusted net assets	28,364,435	24,735,426
Number of shares in issue	7,666,902	7,172,255
Net asset value per share (pence)	369	344
Adjusted net asset value per share (pence)	370	345

Gearing

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as ѥquityҠas shown in the consolidated balance sheet plus net debt. The gearing ratios at 31 March 2015 and 2014 were as follows:

	2015	2014
	£	£
Total borrowings	20,710,322	19,014,309
Less: cash and cash equivalents	(178,194)	(350,285)
Net debt	20,532,128	18,664,024
Total equity	28,289,061	24,656,307
Total capital	48,821,189	43,320,331
Gearing ratio	42%	43%

Maturity of group financial liabilities

The expected maturity profiles of the Groupӳ borrowings together with the interest rate profile of the Groupӳ undiscounted borrowings are set out under note 16.

Borrowing facilities

The group has no undrawn committed borrowing facilities.

21. Capital commitments

There were no capital commitments at 31 March 2015 or at 31 March 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Contingent liabilities

There were no contingent liabilities at 31 March 2015 or at 31 March 2014.

23. Related parties

Subsidiaries

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel

The key management personnel are the directors of the Group. Directors of the Group and their immediate relatives control 26.76% (2014: 24.68%) of the voting shares of the Group.

The directorsô compensations were as follows:

	2015	2014
	£	£
Directorsô remuneration	22,500	-

The following directors and their immediate family members received dividends and property income distributions during the year in respect of their shareholdings as follows:

	2015	2014
	£	£
D C Farley (and immediate family members)	88,771	86,480
T H Berglund (and immediate family members)	73,019	62,439
A J Sperrin (and immediate family members)	41,690	-

At 31 March 2015 the following amounts were owed to/(from) the directors or their immediate family members:

	2015	2014
	£	£
M P Farley	23,360	15,319
D C Farley	60,000	-
T H Berglund	71,257	13,724

Other related party transactions

A J Sperrin and T H Berglund jointly control Willmotts Corporation Limited. The transactions between the Group and Willmotts Corporation Limited or its subsidiaries, all of which were undertaken on an armôs-length basis, were as follows.

	2015	2014
	£	£
Property and other management fees charged to the Group	226,574	409,394
Property income distribution or dividend paid by the Group	67,503	65,761
Amount owed to Group at the year end	(13,697)	1,357

23. Related parties (continued)

Other related party transactions

D C Farley and family control Pointexport Limited. The transactions between this company and the Group were as follows:

	Pointexport
	£
Annual rent payable to the Group	63,500
Dividends paid by the Group	8,451
Amounts owed by the Group at the year end	289,806

The amounts owed to or by the Group are unsecured, interest free and have no fixed repayment date or repayment schedule.

24. Operating Lease Arrangements

At 31 March 2015 the Group had contracted with tenants to receive the following future minimum lease payments:

	2015	2014
	£	£
Not later than one year	1,915,841	1,968,924
Later than one year but not more than five years	3,857,762	4,623,661
More than five years	5,708,503	4,969,131

There were no contingent rents recognised as income during the current or previous year.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PINEAPPLE CORPORATION PLC

We have audited the Parent company financial statements of Pineapple Corporation Plc for the year ended 31 March 2015 which comprise the Parent company Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report, including the opinions, has been prepared for and only for the companyõs 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 companyõs members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the companyõs 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 statement of directorsô responsibilities set out on page 10, the directors are responsible for the preparation of the Parent company 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 Parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boardõs 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 parent companyõs 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 annual 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 Parent company financial statements:

Å give a true and fair view of the state of the Parent companyõs affairs as at 31 March 2015;
Å have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
Å have been prepared in accordance with the requirements of the Companies Act 2006.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PINEAPPLE CORPORATION PLC (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

Å 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 Parent company financial statements.

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:

Å 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
Å the Parent company financial statements are not in agreement with the accounting records and returns; or
Å certain disclosures of directorsôremuneration specified by law are not made; or
Å we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the consolidated financial statements of Pineapple Corporation Plc for the year ended 31 March 2015.

Ransford Agyei-Boamah (senior statutory auditor)
for and on behalf of
Harmer Slater Limited
Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey SM2 5DA

14 July 2015

PINEAPPLE CORPORATION PLC

COMPANY BALANCE SHEET

As at 31 March 2015

	Note	2015 £	2014 £
Assets			
Investment properties	5	34,893,398	30,127,256
Investments in subsidiaries	6	2,907,791	2,907,791
Total non-current assets		37,801,189	33,035,047
Inventories	7	3,500	3,500
Trade and other receivables	8	6,417,158	6,162,184
Cash and cash equivalents		132,370	326,396
Total current assets		6,553,028	6,492,080
Total assets		44,354,217	39,527,127
Liabilities			
Trade and other payables	9	2,304,255	2,206,891
Interest-bearing loans and borrowings	10	175,836	14,958,605
Total current liabilities		2,480,091	17,165,496
Interest-bearing loans and borrowings	10	15,805,897	-
Total non-current liabilities		15,805,897	-
Total liabilities		18,285,988	17,165,496
Net assets		26,068,229	22,361,631
Equity			
Called up share capital	12	7,666,902	7,172,255
Share premium account	13	4,464,098	3,363,338
Revaluation reserve	13	8,867,585	6,098,533
Retained earnings	13	5,069,644	5,727,505
Total equity	14	26,068,229	22,361,631

The financial statements of Pineapple Corporation Plc (registration number 02954192) were approved by the Board of directors and authorised for issue on 14 July 2015

ON BEHALF OF THE BOARD:

A J Sperrin
Director

The accompanying notes form an integral part of these financial statements

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Significant accounting policies

(a) Going concern

The company’s financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The company’s cash flow forecasts show that it has adequate resources available to continue in operational existence for the foreseeable future. In preparing these forecasts the Directors have taken into account the potential breaches of various financing covenants if there are reductions in property valuations and the due dates for repayment of significant loans.

Having taken these matters into account the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

(b) Basis of preparation

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of certain assets and have been prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

In accordance with Financial Reporting Standard No 18 "Accounting Policies" the company's directors have reviewed the company's accounting policies and confirm that they continue to be the most appropriate to the company's circumstance.

A summary of the significant accounting policies which have been consistently applied in the current and the preceding period is set out below.

(c) Estimates

Financial statements prepared in accordance with UK GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The company makes estimates and assumptions concerning the future and other key sources of estimation uncertainty. Actual results could differ materially from those estimates. The company makes significant assumptions in its determination of a number of assets and liabilities including investment properties, deferred income and interest rate swaps.

(d) Investment properties

Investment properties are properties owned by the company which are held for long-term rental income or for capital appreciation or both and are included in fixed assets at their latest valuation plus subsequent additions at cost. Surpluses and deficits arising on valuation are taken direct to the revaluation reserve.

The company’s property portfolio is valued annually. At least 25 per cent of the properties held at the previous year end together with any additions during the year will be valued by an external valuation agent and the remainder by the directors so that within every four year period all properties would have been subject to an external valuation.

1 Significant accounting policies (continued)

(d) Investment properties (continued)

Depreciation is not provided in respect of freehold properties. This treatment may be a departure from the Companies Act 2006 concerning the depreciation of fixed assets in respect of certain of these properties. However such properties are not held for consumption but for investment and the directors consider annual depreciation would be inappropriate and that this policy is necessary to give a true and fair view. Depreciation is only but one of many factors reflected in the valuation and the amount which might have been shown cannot be separately identified or quantified. Any permanent diminution in value of properties is charged to the profit and loss account.

(e) Investments

Fixed asset investments in subsidiary and associated undertakings are stated at cost less provision for impairment.

The carrying value of investments in subsidiary undertakings and associated undertakings are reviewed as necessary for impairment. Impairment is calculated as the difference between the carrying value and the estimated value-in-use or disposal value if higher. Value-in-use represents the present value of future expected cash flows discounted on a pre-tax basis. The net book amount of the investment is written down where impairment is identified.

(f) Derivative financial instruments

The company enters into derivative transactions such as interest rate swaps in order to manage the risks arising from its activities as described in more detail in the Risk Management section in the Report of the Directors. Derivatives are initially recorded at cost and are subsequently remeasured to fair value based on market prices. The company does not apply hedge accounting to its derivative financial instruments and hence any change in the fair value of such derivatives is recognised immediately in the profit and loss account as a finance cost or income.

(g) Property development inventory

Property development inventory is valued at the lower of cost and net realisable value.

(h) Taxation

Current tax represents the expected tax payable (or recoverable) on the taxable profits for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments arising from prior years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS 19 "deferred tax".

As all of the company's investment properties are held as long term investments and the company has been converted into a Real Estate Investment Trust (REIT), deferred tax is not provided on timing differences arising from revaluation of those assets as any gains realised would be exempt from taxation as long as the REIT conditions are met.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted or substantially enacted at the balance sheet date.

2. Profit and loss account

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The profit attributable to shareholders dealt with in the companyọs accounts for the financial year was £511,813 (2014: £834,956).

3. Cash flow statement

The company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) ốCash flow statementsô

4. Personnel expenses

Salary costs

	2015	2014
	£	£
Short term employee benefits	60,500	-
Compulsory social security contributions	6,679	-
	67,179	-

Number of employees

The average number of employees (including Directors) during the year was as follows:

	2015	2014
	£	£
Administration	3	-

5. Tangible fixed assets

	Investment Property
	£
Cost	
Balance at 1 April 2014	30,127,256
Additions	3,384,089
Disposals	(1,402,550)
Revaluation	2,784,603
Balance at 31 March 2015	34,893,398
Depreciation	-
Balance at 1 April 2014	-
Depreciation charge for the year	-
Released on disposals	-
Balance at 31 March 2015	-
Carrying amounts	
At 31 March 2015	34,893,398
At 31 March 2014	30,127,256

5. Tangible fixed assets (continued)

The company's property portfolio was revalued at the balance sheet date to fair value as follows: 77% of the portfolio amounting to £27M was externally valued by GVA Grimley Limited as at 30 October 2014 in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. The directors are of the opinion that it is unlikely that there has been a material change in value between the last valuation date and 31 March 2015 and in consequence have not updated the valuation. The remaining portfolio valuations were updated by the directors with assistance from Willmotts Chartered Surveyors at 31 March 2015 on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

The historical cost of properties at 31 March 2015 was £26,025,813 (2014: £24,028,724). The historical cost of leasehold properties included within the above amounted to £2,581,498 (2014: £1,490,977).

6. Investments held in subsidiaries

	Shares in subsidiary undertakings
	£
Cost	
Balance at 1 April 2014	6,548,539
Balance at 31 March 2015	6,548,539
Provision	
Balance at 1 April 2014	3,640,748
Balance at 31 March 2015	3,640,748
Carrying amounts	
At 31 March 2015	2,907,791
At 31 March 2014	2,907,791

The company's subsidiary undertakings (listed below) are 100% owned by the company.

Subsidiary undertaking	Country of Incorporation	Direct or Indirect Holding	Principal Activity
Aspectvista Limited	England	Direct	Property Investment
Fastbulb Limited	England	Direct	Property Investment
Cranswick Builders Limited	England	Direct	Property Investment
Tammberg OY	Finland	Direct	Property Investment
Maplebutton Limited	England	Direct	Property Investment
Torasup Limited	England	Direct	Property Investment
Delta House Studios Limited	England	Direct	Property Investment
Pagecable Limited	England	Direct	Dormant
Duneflight Limited	England	Direct	Dormant
Aspectsaver Limited	England	Direct	Dormant
Drillscene Limited	England	Direct	Dormant
Earthstring Limited	England	Direct	Dormant
Greenexpert Limited	England	Direct	Dormant
Logicspirit Limited	England	Direct	Dormant
Saverteam Limited	England	Direct	Dormant
Shapemenu Limited	England	Direct	Dormant
Spiritframe Limited	England	Direct	Dormant

6. Investments held in subsidiaries (continued)

Subsidiary undertaking	Country of Incorporation	Direct or Indirect Holding	Principal Activity
Basechange Limited	England	Direct	Property Investment
Awarddeal Limited	England	Indirect	Property Investment
Finlaw Thirty-Six Limited	England	Indirect	Property Investment
Wingdawn Property Co Limited	England	Indirect	Property Investment
Rapidbronze Limited	England	Indirect	Dormant
Fastflask Limited	England	Indirect	Dormant
Deckcoin Limited	England	Indirect	Dormant
Paperframe Limited	England	Indirect	Dormant
Roundbell Limited	England	Indirect	Dormant
Silkstorm Limited	England	Indirect	Dormant
Doublecool Limited	England	Indirect	Dormant
Clearbrave Limited	England	Indirect	Dormant

7. Inventories

	2015	2014
	£	£
Property trading stock	3,500	3,500

8. Trade and other receivables

	2015	2014
	£	£
Rent receivable	100,156	140,388
Other receivables	332,965	392,538
Amounts due from subsidiary undertakings	5,794,012	5,566,917
Prepayments and accrued income	190,025	62,341
	6,417,158	6,162,184

9. Trade and other payables

	2015	2014
	£	£
Trade payables	36,279	80,932
Other payables	735,268	518,428
Amount owed to subsidiary undertaking	993,494	555,286
Other taxes	104,935	77,591
Accruals and deferred income	434,279	974,654
	2,304,255	2,206,891

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

10. Interest-bearing loans and borrowings

	2015	2014
	£	£
Current liabilities		
Bank overdrafts	9,169	-
Bank loan	166,667	14,958,605
Non-current liabilities		
Bank loan	15,805,897	-
	15,981,733	14,958,605

The bank loans are secured by fixed and floating charges over the Groupô s assets. Interest is payable at 3% over National Westminster Bank Plcô s Base Rate on sterling denominated loans of £15,981,733. The loans mature on various dates between 2015 and 2019.

The bank loans are repayable as follows:

	2015	2014
	£	£
Bank loans		
Within one year	166,667	14,958,605
Between one and two years	166,667	-
Between two and five years	15,639,230	-
	15,972,564	14,958,605

11. Financial instruments

The company has taken advantage of the disclosure requirements set out within FRS 29 ôFinancial Instruments: Disclosuresô on the grounds that it qualifies as a parent company whose individual financial statements are included in its consolidated financial statements which comply with this standard.

12. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
Equity		
7,666,902 (2014: 7,172,255) ordinary shares of £1 each	7,666,902	7,172,255

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

12. Share capital (continued)

Issue of ordinary shares

On 9 June 2014 the company issued 281,250 ordinary shares of £1 each at a premium of £2.20 raising cash of £900,000.

On 27 June 2014 the company issued 168,477 ordinary shares of £1 each at a premium of £2.20 raising cash of £539,126.

On 8 September 2014 the company issued 9,213 ordinary shares of £1 each at a premium of £2.38 raising cash of £31,140.

On 14 October 2014 the company issued 27,577 ordinary shares of £1 each at a premium of £2.45 raising cash of £95,141.

On 7 January 2015 the company issued 8,130 ordinary shares of £1 each at a premium of £2.69 raising cash of £30,000.

13. Reserves

	Share premium account	Revaluation reserve	Profit and loss reserve	Total
	£	£	£	£
Balance at 1 April 2014	3,363,338	6,098,533	5,727,505	15,189,376
Premium on issue of shares	1,100,760	-	-	1,100,760
Profit for the year	-	-	511,813	511,813
Transfer of realised profits	-	(15,551)	15,551	-
Arising on revaluations in the year	-	2,784,603	-	2,784,603
Dividends	-	-	(1,185,225)	(1,185,225)
Balance at 31 March 2015	4,464,098	8,867,585	5,069,644	18,401,327

14. Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Profit attributable to the members of the company	511,813	834,956
Dividends	(1,185,225)	(1,069,346)
	(673,412)	(234,390)
Other recognised gains for the year	2,784,603	1,741,403
New share capital subscribed	1,595,407	549,998
Net addition to shareholders' funds	3,706,598	2,057,011
Opening equity shareholders' funds	22,361,631	20,304,620
Closing equity shareholders' funds	26,068,229	22,361,631

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

15. Capital commitments

There were no capital commitments at 31 March 2015 or at 31 March 2014.

16. Contingent liabilities

There were no contingent liabilities at 31 March 2015 or at 31 March 2014.

17. Related party transactions

The company reports the following transactions with related parties:

Transactions with key management personnel

The key management personnel are the directors of the company. Directors of the company and their immediate relatives control 26.76% (2014: 24.68%) of the voting shares of the company.

The directorsôcompensations were as follows:

	2015	2014
	£	£
Directorsôremuneration	22,000	-

The following directors received dividends and property income distributions during the year in respect of their shareholdings:

	2015	2014
	£	£
D C Farley (and immediate family members)	88,771	86,480
T H Berglund (and immediate family members)	73,019	62,439
A J Sperrin (and immediate family members)	41,690	-

At 31 March 2015 the following amounts were owed to the directors or their immediate relatives:

	2015	2014
	£	£
M P Farley	23,360	15,319
D C Farley	60,000	-
T H Berglund	71,257	13,724
	204,617	(284,137)

Subsidiary undertakings

The company has taken advantage of the provisions of the Financial Reporting Standard Number 8 which exempts wholly owned subsidiary undertakings from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties.

17. Related party transactions (continued)

Other related party transactions

A J Sperrin and T H Berglund jointly control Willmotts Corporation Limited. The transactions between the company and Willmotts Corporation Limited or its subsidiaries, all of which were undertaken on an arm's-length basis, were as follows.

	2015	2014
	£	£
Property and other management fees charged to the Group	226,574	409,394
Property income distribution or dividend paid by the Group	67,503	65,761
Amount owed to Group at the year end	(13,697)	1,357

D C Farley and family control Pointexport Limited. The transactions with this company were as follows:

	Pointexport
	£
Dividends paid by the company	8,451

The amounts owed to or by the company are unsecured, interest free and have no fixed repayment date or repayment schedule.