COMPANY REGISTRATION NUMBER 10084921

Parabola Real Estate Holdings Limited

Financial statements

31 March 2017

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Parabola Real Estate Holdings Limited

Financial statements

Year ended 31 March 2017

Contents	Page
Strategic Report	1
Directors' Report	2
Independent Auditors' Report	4
Consolidated Income Statement	6
Consolidated Statement of Financial Position	7
Company Statement of Financial Position	8
Consolidated Statement of Cash Flows	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Statement of Accounting Policies	12
Notes to the Financial Statements	15

Parabola Real Estate Holdings Limited

Strategic report

Year ended 31 March 2017

Review of the business
Turnover for the financial year is £6,605,345 (2016: £13,113,934), with a profit for the financial year of £954,095 (2016: £16,921,970).

Group reorganisation
On 25 January 2017, a Group restructure took place Parabola Real Estate Holdings Limited acquired the assets of Parabola Property Limited, Parabola Real Estate Holdings Limited became the parent company of the Parabola Group on this date.

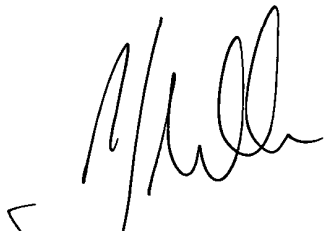
On 25 January 2017, the group purchased the remaining shares in Parabola Capital LLP from Oliver Millican. On this date the Group acquired a controlling interest in Parabola Real Estate Investment Management LLP.

Future Outlook
The group intends to realise the majority of the existing investment portfolio in the short term with a view to consider medium term reinvestment when market conditions are favourable.

Principal risks and uncertainties
The principal risks facing the company are transactional and market risks which may lead to a reduction in the value of the interests in property partnerships. The possible exit of the United Kingdom from the European Union, following the result of the EU referendum, may impact the value of the interest in the property partnerships and the timing of their realisation.

Financial risk management
The directors monitor interest and market risk on an ongoing basis. All third party debt has been repaid by the property partnerships thus eliminating interest risk and debt maturity repayment risk.

Key performance indicators ("KPIs")
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.



P J Millican
Director

Signed on behalf of the directors on 20 November 2017

Parabola Real Estate Holdings Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the audited consolidated financial statements of Parabola Real Estate Holdings Limited and its subsidiary undertakings (together 'the Group') for the year ended 31 March 2017.

Principal activities and business review
The principal activity of the group is property investment and trading.

The profit of the group for the financial year was £954,095 (2016: £16,921,970).

The directors have proposed and paid a dividend in respect of the financial year of £2,500,000 (2016: £390,000).

Directors
The directors of the group who were in office during the year and up to the date of signing the financial statements were:

P J Millican
O J Millican
M F Perkins (resigned 20 September 2016)
E Rogers (appointed 28 March 2017, resigned 01 June 2017)

Future Outlook
As outlined in the Strategic Report.

Directors' responsibilities statement
The directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (the "financial statements") in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Charitable donations
The company made charitable donations in the year of £10,584 (2016: £26,738) in furtherance of its charitable objects. The donations were made to Cardiac Risk in the Young £5,000 (2016: £nil), Coram £2,000 (2016:£nil) Kings Place Music Foundation £1,802 (2016: £6,738), the Rock Trust £1,673 (2016: £nil) and to Gorgie City Farm £nil (2016: £20,000).

Statement of disclosure of information to auditors
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the directors

P J Millican
Director

Approved by the directors on 20 November 2017

Parabola Real Estate Holdings Limited

Independent auditors' report to the members of Parabola Real Estate Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Parabola Real Estate Holdings Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Financial statements (the "Annual Report"), comprise:

- the Consolidated statement of financial position as at 31 March 2017;
- the Consolidated income statement for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the parent company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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

Independent auditors' report to the members of Parabola Real Estate Holdings Limited (continued)

- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 November 2017

Parabola Real Estate Holdings Limited

Consolidated Income Statement

Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	**2**	**6,605,345**	13,113,934
Cost of sales		**(5,033,956)**	(4,639,367)
Gross profit		**1,571,389**	8,474,567
Administrative expenses		**(4,338,314)**	(6,510,116)
Fair value gain on investment property		**2,687,087**	11,632,440
Profit on disposal of investment property		**1,496,018**	7,534,221
Profit (Loss) on disposal of property, plant and equipment		**60,500**	(53,184)
Loss on disposal of financial assets		**-**	(1,423,173)
Profit before interest and taxation	**3**	**1,476,680**	19,654,755
Interest receivable and similar income	**6**	**9,725**	47,546
Interest payable and similar expenses	**7**	**(532,310)**	(2,780,331)
Profit before taxation		**954,095**	16,921,970
Tax on profit	**8**	**-**	-
Profit for the financial year		**954,095**	16,921,970
(Loss)/ Profit for the financial year attributable to:			
Owners of the parent		**755,902**	12,902,286
Non-controlling interests		**198,193**	4,019,684

All of the activities of the company are classed as continuing.

There is no other comprehensive income for the current or prior year.

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Consolidated Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	**4,755**	7,912
Investment property	10	**41,726,561**	44,153,898
Property, plant and equipment	11	**76,589**	132,823
		41,807,905	44,294,633
Current assets			
Inventories	14	**-**	2,026,357
Debtors	15	**2,572,757**	2,546,834
Cash at bank and in hand		**11,794,306**	7,734,571
		14,367,063	12,307,762
Creditors: Amounts falling due within one year	16	**(22,064,937)**	(19,107,527)
Net current (liabilities)		**(7,697,874)**	(6,799,765)
Total assets less current liabilities		**34,110,031**	37,494,868
Net Assets		**34,110,031**	37,494,868
Capital and reserves			
Called up share capital	20	**1,000**	1,000
Profit and loss account		**33,766,428**	35,681,494
Total equity attributable to owners of the parent		**33,767,428**	35,682,494
Non-controlling interests		**342,603**	1,812,374
Total equity		**34,110,031**	37,494,868

The financial statements on pages 6 to 25 were approved by the Board of Directors on 20 November 2017 and signed on its behalf by:

P J Millican
Director

Company Registration Number: 10084921

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Company Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	13	**16,446,617**	-
		16,446,617	-
Current assets			
Debtors	15	**6,984,985**	3
Cash at bank and in hand		**407,187**	-
		7,392,172	3
Creditors: Amounts falling due within one year	16	**(9,856,987)**	-
Net current (liabilities)/ assets		**(2,464,815)**	3
Total assets less current liabilities		**13,981,802**	3
Net Assets		**13,981,802**	3
Capital and reserves			
Called up share capital	20	**1,000**	3
Profit and loss account		**13,980,802**	-
Total equity		**19,981,802**	3

The financial statements on pages 6 to 25 were approved by the Board of directors on 20 November 2017 and signed on its behalf by:

P J Millican
Director

Company Registration Number: 10084921

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	**954,094**	16,921,970
Adjustments for:		
Amortisation of intangible assets	**3,157**	3,157
Depreciation of property, plant and equipment	**30,534**	70,994
Fair value movement in investment property	**(2,687,087)**	(11,632,440)
Profit on disposal of investment property	**(1,496,018)**	(7,534,221)
Loss on disposal of property, plant and equipment	**(60,500)**	53,184
Loss on disposal of financial assets	**-**	1,423,173
Corporation tax	**-**	-
Decrease in trade and other debtors	**428,112**	1,180,320
Decrease in stocks	**2,026,357**	3,918,291
Decrease in trade creditors and other creditors	**(1,669,633)**	(3,843,543)
Cash from operations	**(2,470,983)**	560,885
Corporate tax paid	**-**	-
Net cash (used in)/ generated from operating activities	**(2,470,983)**	560,885
Cash flows from investing activities		
Proceeds from sale of investment properties	**23,206,473**	56,888,198
Purchases of investment property	**(16,685,632)**	-
Development and other capital expenditure	**(860,221)**	(4,627,633)
Proceeds from sale of property, plant and equipment	**102,550**	1,232,740
Purchase of property, plant and equipment	**(16,350)**	(4,586)
Purchase of intangible assets	**-**	(20)
Step-acquisition of shares in subsidiary	**-**	(1,117,458)
Net cash generated from investing activities	**5,746,820**	52,371,241
Cash flows from financing activities		
Repayment of bank loans	**-**	(33,587,396)
Proceeds from other loans	**11,400,000**	-
Repayment of other loans	**(7,756,351)**	(14,802,400)
Proceeds from other financial assets	**-**	1,338,959
Purchase of other financial assets	**-**	(2,598,950)
Payments to non-controlling interests	**(889,111)**	(3,078,385)
Interest paid	**529,360**	(706,188)
Dividends paid	**(2,500,000)**	(390,000)
Distribution in kind of subsidiary in group	**-**	(534,170)
Net cash generated/ (used in) from financing activities	**783,898**	(54,358,530)
Net increase/ (decrease) in cash and cash equivalents	**4,059,735**	(1,426,404)
Cash and cash equivalents at the beginning of year	**7,734,571**	9,160,975
Cash and cash equivalents at end of year	**11,794,306**	7,734,571

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital	Profit and loss account (Parent)	Profit and loss account (Non-controlling interest)	Total equity
	£	£	£	£
At 1 April 2015	1,000	24,436,039	1,805,205	26,242,244
Profit for the financial year	-	12,902,286	4,019,684	16,921,970
Dividends	-	(390,000)	-	(390,000)
Distributions	-	-	(3,078,385)	(3,078,385)
Acquisition non-controlling interest in group subsidiary	-	(412,620)	(704,838)	(1,117,458)
Distribution in kind of subsidiary from group	-	(854,211)	(229,292)	(1,083,503)
At 31 March 2016	1,000	35,681,494	1,812,374	37,494,868
(Loss)/ Profit for the financial year	-	755,902	198,193	954,095
Dividends	-	(2,500,000)	-	(2,500,000)
Distributions	-	-	(1,919,824)	(1,919,824)
Distribution in kind of subsidiary to group	-	(170,968)	251,860	80,892
At 31 March 2017	**1,000**	**33,766,428**	**342,603**	**34,110,031**

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Company Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2015	-	-	-
Ordinary shares issued	3	-	3
Profit for the financial year and total comprehensive income	-	-	-
Dividends	-	-	-
At 31 March 2016	3	-	3
Ordinary shares issued	997	-	997
Profit for the financial year and total comprehensive income	-	16,480,802	16,480,802
Dividends paid	-	(2,500,000)	(2,500,000)
At 31 March 2017	**1,000**	**13,980,802**	**13,981,802**

The accounting policies and notes on pages 12 to 25 form part of these financial statements.

Parabola Real Estate Holdings Limited

Statement of accounting policies

Year ended 31 March 2017

Statutory Information
Parabola Real Estate Holdings Limited is a limited company domiciled and incorporated in England and Wales, registration number 10084921. The registered office is Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

Basis of preparation
These consolidated financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable standards in the United Kingdom, including Financial Reporting Standard 102 ('FRS 102'). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments and fixed assets.

The financial statements are presented in Sterling (£).

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Basis of consolidation
The consolidated financial statements include the results of the company and its subsidiary undertakings as at 31 March 2017. The results of the subsidiaries are included in the consolidated profit and loss account from the date control passed. Intra-group transactions and balances are eliminated fully on consolidation. Uniform accounting policies are adopted across the group.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair value reflecting their condition at that date. All changes of those assets and liabilities, and the resulting gains and losses that arise after the group has gained control of the subsidiary are charged to the post-acquisition profit and loss account.

Critical judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and judgements that could have significant effect upon the company's financial results relate to the fair value of investment properties as set out in note 10.

Exemptions for qualifying entities under FRS 102
The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
(ii) from the financial instrument disclosures, required under FRS 102, as the information is provided in the consolidated financial statement disclosures; and
(iii) From disclosing the company key management personal compensation, as required by FRS 102.

Statement of accounting policies (continued)

Year ended 31 March 2017

Turnover
Turnover represents sale proceeds of property stock disposed of and rental and service charge income from the letting of industrial space excluding value added tax. Turnover relates entirely to the United Kingdom and is recognised on the accruals basis, recognising pre letting costs, including rent free periods, over the term of the lease. Other income is recognised in the accounting period in which it is received.

Capitalisation of finance costs
Costs directly attributable to the arrangement of bank loans are capitalised and charged to the profit and loss account evenly over the period of the loan.

Inventories
Inventories consists of properties and these are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct costs and any refurbishment costs.

Intangible fixed assets and amortisation
Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset. The rates used are Website domains – 20% per annum of cost.

Property, plant and equipment
Property, plant and equipment, including land and buildings held for administrative purposes, are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Other assets contain certain statues and other works of art. No depreciation is charged on these assets which is a departure from the Companies Act 2006, however the directors consider the residual value at least equal to their purchase cost and therefore to depreciate them would not give a true and fair view.

Depreciation has been calculated to write off the cost of the property, plant and equipment over their expected useful lives. Freehold land is not depreciated. The rates used are:

Freeholding buildings 2% per annum of cost
Furniture and fittings – 20% per annum of cost

Freehold investment properties
Properties held for investment and included in fixed assets are stated in the balance sheet at fair value at the balance sheet date. Provision is made for taxation on chargeable gains which would arise if properties were disposed of at their fair value amounts. Investment properties are revalued annually by the members, with an external independent valuation performed in accordance with the RICS Valuation and Appraisal manual every 5 years.

Taxation
Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Accrued income
This includes the income earned during the financial year but invoiced in the subsequent financial year.

Deferred income
This includes the income invoiced during the financial year but relating to a subsequent financial year.

Fixed asset investments
Investments in subsidiary companies that are acquired with the intention of holding them for the long term or to maturity are treated as fixed asset investments, and are valued at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Financial instruments
Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derivatives, including interest rate swaps are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Parabola Real Estate Holdings Limited

Notes to the financial statements

Year ended 31 March 2017

1. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been included in these financial statements. The parent company's profit for the financial year was £24,749 (2015: £265,431).

2. Turnover

All turnover arises within the United Kingdom and relates to amounts receivable for property disposals and rental income.

An analysis of turnover is given below:

	2017	2016
	£	£
United Kingdom	**6,605,345**	13,113,934

	2017	2016
	£	£
Property disposals	**4,449,999**	7,072,150
Rental income	**1,734,888**	4,982,607
Service charge income	**80,759**	550,632
Other income	**339,699**	508,545
	6,605,345	13,113,934

3. Profit before interest and taxation

Profit before interest and taxation is stated after charging:

	2017	2016
	£	£
Depreciation	**30,534**	70,994
Amortisation	**3,157**	3,157
Auditors' remuneration		
- as auditors	**32,841**	39,165
- other services	**340,690**	424,452

4. Particulars of employees

The monthly average number of staff employed by the group during the financial year amounted to:

	2017	2016
	No	No
Number of administrative staff	**10**	10

The aggregate payroll costs of the above were:

	2017	2016
	£	£
Wages and salaries	**1,799,429**	1,125,598
Social security costs	**194,523**	113,401
	1,993,952	1,238,999

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2017	2016
	£	£
Remuneration receivable	**867,938**	568,710

Remuneration of highest paid director:

	2017	2016
	£	£
Total remuneration (excluding pension contributions)	**654,957**	483,118

6. Interest receivable and similar income

	2017	2016
	£	£
Interest receivable	**9,725**	47,546

7. Interest payable and similar expenses

	2017	2016
	£	£
Interest payable on bank borrowing	**-**	1,677,579
Interest payable to related parties	**531,784**	504,013
Amortisation of deferred finance costs	**-**	593,046
Bank charges	**526**	5,693
	532,310	2,780,331

8. Tax on profit

There is no current or deferred income tax charge for the period (2016: £nil).

The tax rate assessed for the year is the same as (2016: lower) the effective rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£	£
Profit before taxation	**16,921,970**	16,921,970
Tax on profit at standard UK tax rate of 20% (2016: 20%)	**3,384,394**	3,384,394
Expenses not deductible for tax purposes	**237,352**	1,654
Effect of relief claimed	**1,054,317**	3,215,875
Deferred tax not recognised	**(688,700)**	(2,801,566)
Income not assessable for tax purposes	**(3,987,363)**	(3,800,357)
Total tax	**-**	-

In 2015, the UK Government enacted legislation to reduce the UK Corporation Tax rate from 20% to 18% between 2017 and 2020. The rate will reduce to 19% from 1 April 2017, then to 18% from 1 April 2020 onwards. In 2016, further legislation was enacted to reduce the 2020 rate to 17%. This proposed reduction has no impact on the taxation disclosed in these financial statements as there are no current or deferred income tax charges.

9. Dividends

	2017	2016
	£	£
Ordinary shares		
£2,500 (2016: £390) per £1 share	**2,500,000**	390,000
Distribution in kind of Parabola Edinburgh Park LLP		
£nil (2016: £8) per £1 share	-	8,000
Total	**2,500,000**	398,000

10. Investment property

The group

	Freehold Investment Property
	£
Fair value	
At 1 April 2016	44,153,898
Additions	17,545,853
Disposals	(22,660,277)
Net gains from fair value adjustments	2,687,087
At 31 March 2017	**41,726,561**
At 31 March 2016	44,153,898

Investment properties are revalued annually by the members, with an external independent valuation performed in accordance with the RICS Valuation and Appraisal manual every 5 years.

The revaluation of freehold investment properties was performed in 2017 by the members. The valuation basis is the forecast exit price discounted to reflect risk. On a historical cost basis the freehold investment property would be included at £35,898,674 consolidated (2016: £34,447,716 consolidated) and £nil company (2016: £nil)

11. Property, plant and equipment

The group

	Furniture and fittings £	Other assets £	Total £
Cost			
At 1 April 2016	150,783	42,050	192,833
Additions	**16,350**	-	**16,350**
Disposals	**(47,725)**	**(42,050)**	**(89,775)**
At 31 March 2017	**119,408**	**-**	**119,408**
Accumulated Depreciation			
At 1 April 2016	(60,010)	-	(60,010)
Charge for the year	**(30,534)**	-	**(30,534)**
Disposals	**47,725**	-	**47,725**
At 31 March 2017	**(42,819)**	**-**	**(42,819)**
Net book value			
At 31 March 2017	**76,589**	**-**	**76,589**
At 31 March 2016	90,773	42,050	132,823

12. Intangible assets

	Total £
Cost	
At 1 April 2016	**15,804**
Additions	**-**
At 31 March 2017	**15,804**
Accumulated amortisation	
At 1 April 2016	**(7,892)**
Charge for the year	**(3,157)**
At 31 March 2017	**(11,049)**
Net book value	
At 31 March 2017	**4,755**
At 1 April 2016	7,912

13. Investments

The company

	Total
	£
Cost	
At 1 April 2016	-
Additions	**16,446,617**
Disposals	-
At 31 March 2017	**16,446,617**
Net book value	
At 31 March 2017	**16,446,617**
At 31 March 2016	-

	2017	2016
	£	£
Parabola Investors LLP	**16,423,635**	-
Parabola Real Estate Investment Management LLP	**20,983**	-
Investment in Parabola Land Limited	**1,000**	-
Investment in Parabola Property Limited	**997**	-
Parabola Trustees One (Jersey) Ltd	**1**	-
Parabola Trustees Two (Jersey) Ltd	**1**	-

The directors believe that the carrying value of the investments is supported by their underlying net assets. The entities in which equity interests were held at 31 March 2017 were as follows:

Name	*Ownership*	*Country of Incorporation*
Parabola Land Limited	100% (direct)	United Kingdom
Parabola Property Limited	100% (direct)	United Kingdom
Parabola Industrial Estates Limited	100% (indirect)	United Kingdom
Parabola Investors LLP	99.99% (direct)	United Kingdom
Parabola Partners LLP	74.94% (indirect)	United Kingdom
Parabola Vertex LLP	99.98% (indirect)	United Kingdom
Parabola Capital LLP	80% (indirect)	United Kingdom
Parabola Real Estate Investment Management LLP	74.95% (direct)	United Kingdom
Parabola Trustees One (Jersey) Ltd	99.99% (indirect)	Jersey
Parabola Trustees Two (Jersey) Ltd	99.99% (indirect)	Jersey
Parabola UK Industrial Property Unit Trust	99.98% (indirect)	Jersey

Principal activities

Parabola Real Estate Holdings Limited holds property and interests in property partnerships for investment purposes. Parabola Land Limited holds property for trading and investment purposes. Parabola UK Industrial Property Unit Trust holds land for development purposes.

14. Inventories

The group

	2017	2016
	£	£
Trading properties	-	2,026,357

The cost of inventories recognised as an expense in the year is £nil (2016: £4,244,778).

15. Debtors

The group

	2017	2016
	£	£
Trade debtors	**718,825**	620,078
Amounts owed from related parties	**3**	49,522
Other debtors	**1,695,703**	1,547,426
Prepayments and accrued income	**158,226**	329,808
	2,572,757	2,546,834

15. Debtors (continued)

The company

	2017	2016
	£	£
Amounts owed by group undertakings	**6,967,095**	-
Amounts owed from related parties	**3**	-
Other debtors	**1,000**	-
Other taxation and social security	**16,887**	-
	6,984,985	-

The amounts owed by group undertakings includes loans from Parabola Land Limited which is unsecured with a principal outstanding as at 31 March 2017 of £5,450,000. Interest on the loan is accruing at 5%. Interest of £854,129 has been accrued at 31 March 2017.

Also included in amounts owed by group undertakings is £500,000 owed from Parabola Real Estate Investment Management LLP and preference share capital interest of £4,767 accrued on the companies investment in Parabola Real Estate Investment Management LLP. There are also amounts due from Parabola Vertex LLP £12,330, Parabola UK Industrial Property Unit Trust £31,644 and Parabola Investors LLP £114,225 all of these balances are repayable on demand.

16. Creditors: Amounts falling due within one year

The group

	2017	2016
	£	£
Trade creditors	**277,007**	383,297
Amounts owed to director	**2,034,934**	9,687,738
Amounts owed to related parties	**10,125,374**	472,771
Amounts owed to the Dorian Development Trust	**383,694**	366,873
Amounts owed to the Corinthian Capital trust and the Dorian Development Trust	**7,390,667**	5,339,030
Other creditors	**694,899**	258,794
Taxation and social security	**105,036**	1,592,315
Accruals and deferred income	**1,053,326**	1,006,709
	22,064,937	19,107,527

The amount owed to related parties is a loan from Parabola Estates Holdings Limited which was unsecured. £9,600,000 was advanced during 2017. Interest is accruing at 5%. Interest of £13,150 has been accrued at 31 March 2017. Also included in related parties is accrued interest on loans that have been repaid £512,223 (2016: £472,771) to Parabola Estates Limited. The interest accrued in the year was £39,452 (2016: £365,745). Interest is not accruing on these loans.

The amount owed to the director is a loan secured by a floating charge over the assets of the company and a fixed charge over the freehold property with principal outstanding at 31 March 2017 of £nil (2016: £9,495,710). Interest on the loan is accruing at 4% (2016: 4%) above 3 months LIBOR, and the total amount accrued at 31 March 2017 of £1,898,137 (2016: £1,689,840) has been included within the loan balance. The loan is repayable on demand. £136,797 (2016: £192,028) of the amount owed to the director is an amount accrued as due under a bonus contract.

The amount owed to the Dorian Development Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2017 of £nil (2016: £nil). The loans attract interest at 4% (2016: 4%) above 3 months LIBOR. Interest of £383,694 (2016: £366,873) has been accrued at 31 March 2017 and this amount has been included within the amount owed to the Dorian Development Trust.

The amount owed to the Corinthian Capital Trust and the Dorian Development Trust represents loans repayable on demand with principal outstanding at 31 March 2017 of £1,800,000 (2016: £nil). This loan advanced during 2017 attracts interest at 5%. Interest on previously repaid capital attracts interest at 4% (2016: 4%) above 3 month's LIBOR on the principal and are secured by floating charges over the assets of the company and fixed charges over the freehold property. Interest of £5,974,362 has been accrued at 31 March 2017 (2016: £5,705,903), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust.

The company

	2017	2016
	£	£
Trade creditors	**138,520**	-
Amounts owed to related parties	**9,652,605**	-
Accruals and deferred income	**65,862**	-
	9,856,987	-

The amount owed to related parties is a loan from Parabola Estates Holdings Limited which was unsecured.

16. Creditors: Amounts falling due within one year (continued)

£9,600,000 was advanced during 2017. Interest is accruing at 5%. Interest of £13,150 has been accrued at 31 March 2017. There is also interest accrued on a loan that has been repaid to Parabola Estates Limited of £39,452. Interest is not accruing on this outstanding amount.

17. Deferred taxation

The group

Deferred tax assets of £1,215,282 (2016: £1,965,671) have not been recognised.

The company

Deferred tax assets of £nil (2016: £nil) have not been recognised.

18. Financial Instruments

The group

	2017 £	2016 £
Financial Assets		
Amortised cost		
Trade debtors	**718,825**	620,078
Other debtors	**1,192,149**	1,547,426
Amounts owed from related parties	**3**	49,522
Cash	**11,794,306**	7,734,571
	13,705,283	9,951,597
Financial Liabilities		
Amortised cost		
Bank loans	**-**	-
Trade creditors	**277,007**	383,297
Taxation and social security	**105,036**	1,592,315
Other creditors	**694,899**	258,794
Amounts owed to director	**2,034,934**	9,687,738
Amounts owed to related parties	**10,125,374**	472,771
Amounts owed to the Dorian Development Trust	**383,694**	366,873
Amounts owed to the Corinthian Capital Trust and the Dorian Development Trust	**7,390,667**	5,339,030
	21,011,611	18,100,818

19. Related party transactions

At 31 March 2017, the group owed £7,390,667 (2016: £5,339,030) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £251,637 (2016: £687,513), capital advanced was £1,800,000 (2016: £nil), capital repayments were £nil (2016: £nil) and interest payments were £nil (2016: £nil).

At 31 March 2017, the group owed £383,694 (2016: £366,873) to the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £16,821 (2016: £16,464) capital advanced was £nil (2016: £nil), capital repayments were £nil (2016: £nil) and interest payments were £nil (2016: £nil).

At 31 March 2017, the group owed £2,034,934 (2016: £9,687,738) to P J Millican, director. The interest accrued in the year was £208,297 (2016: £623,039), interest paid was £nil (2016: £202,175), drawdowns were £nil (2016: £nil) and capital repayments were £7,805,870 (2016: £6,100,000). £136,797 (2016: £192,028) of the amount owed to the director is an amount accrued as due under a bonus contract.

At 31 March 2017, the group owed £512,223 (2016: £472,771) to Parabola Estates Limited. The interest accrued in the year was £39,452 (2016: £365,745). Drawdowns were £9,600,000 (2016: £nil) and capital repayments were £9,600,000 (2016: £7,500,000).

At 31 March 2017, the group owed Parabola Estate Holdings Limited £9,613,150 (2016: £nil). The interest accrued in the year was £13,150 (2016: £nil). Drawdowns were £9,600,000 (2016: £nil) and capital repayments were £nil (2016: £nil).

20. Called up share capital

The group and the company

Authorised share capital:

	2017	2016
	£	£
1,000 Ordinary shares of £1 each	**1,000**	1,000

Allotted, called up and fully paid:

	2017		2016	
	No	**£**	No	£
Ordinary shares of £1 each	**1,000**	**1,000**	1,000	1,000

The company was incorporated on 24 March 2016 through the issue of 1,000 ordinary shares at £1 nominal value.

21. Ultimate controlling parties

Parabola Real Estate Holdings Limited is both the smallest and largest group for which group financial statements are drawn up.

The directors consider that the ultimate controlling parties of the group are the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust by virtue of the shares held by them.

23. Operating leases

Future rental commitments for the group under non-cancellable operating leases:

	2017	2016
	Land and buildings	Land and buildings
	£	£
Expiring within one year	**41,536**	37,467
Expiring between two and five years	**17,032**	72,949
Expiring in five years or more	**-**	-
Total	**58,568**	110,416

Lease payments of £31,252 (2016: £49,932) were recognised as an expense in the year.

24. Capital commitments

The aggregate capital commitments for the group to purchase, construct or develop investment property, for repairs, maintenance or enhancements, or for the purchase of investments which are contracted for but not provided, are set out below:

	2017	2016
	£	£
Development and other capital expenditure	**223,749**	675,552