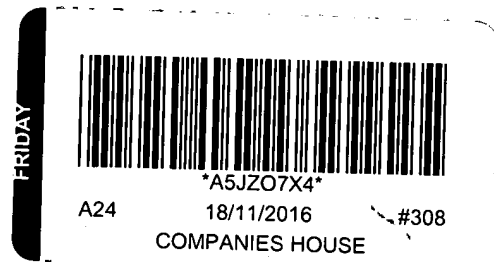


Parabola Property Limited

Financial statements

31 March 2016



Parabola Property Limited

Financial statements

Year ended 31 March 2016

Contents	Page
Strategic Report	1
Directors' Report	2
Independent Auditors' Report to the Members	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 Property Limited

Strategic report

Year ended 31 March 2016

Review of the business

Turnover for the financial year is £13,113,934 (2015: £10,959,346), with a profit of £16,921,970 (2015: £12,524,215).

Exceptional items

As outlined in note 13, on 7 December 2015, the group disposed of its interest in Parabola Edinburgh Park LLP via a distribution in kind to the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust. The fair value of the interest on disposal was £854,211.

On 18 March 2015, the group purchased the remaining shares in Parabola Industrial Estates Limited from Oliver Millican for £1,113,898.

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

Approved by the directors on 15 November 2016

Parabola Property Limited

Directors' Report

Year ended 31 March 2016

The directors present their report and the audited consolidated financial statements of Parabola Property Limited and its subsidiary undertakings (together 'the Group') for the year ended 31 March 2016.

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 £16,921,970 (2015: £12,524,215).

The directors have proposed and paid a dividend in respect of the financial year of £390,000 (2015: £160,000). On 7 December 2015, the group disposed of its interest in Parabola Edinburgh Park LLP of £8,000 via a distribution in kind to the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust.

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
L Bowden (resigned on 7 April 2016)

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.

Parabola Property Limited

Directors' report *(continued)*

Year ended 31 March 2016

Charitable donations

The group made charitable donations in the year of £26,738 (2015: £12,316) in furtherance of its charitable objects. The donations were made to Gorgie City Farm £20,000 (2015: £nil) and to Kings Place Music Foundation £6,738 (2015: £12,316). No political donations were made or political expenditure incurred.

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 themselves 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 15 November 2016

Parabola Property Limited

Independent auditors' report to the members of Parabola Property Limited

Report on the financial statements

Our opinion

In our opinion, Parabola Property Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2016 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 and company statements of financial position as at 31 March 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the statement of 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Parabola Property Limited

Independent auditors' report to the members of Parabola Property Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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 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 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.



Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
15 November 2016

Parabola Property Limited

Consolidated Income Statement

Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	2	13,113,934	10,959,346
Cost of sales		(4,639,367)	(2,679,887)
Gross profit		8,474,567	8,279,459
Administrative expenses		(6,510,116)	(8,351,044)
Fair value gain on investment property		11,632,440	12,415,056
Profit on disposal of investment property		7,534,221	4,092,365
Loss on disposal of property, plant and equipment		(53,184)	-
Fair value loss on financial assets		-	(433,242)
Loss on disposal of financial assets		(1,423,173)	-
Profit on ordinary activities before interest and taxation	3	19,654,755	16,002,594
Interest receivable and similar income	6	47,546	3,109
Interest payable and similar charges	7	(2,780,331)	(3,487,311)
Profit on ordinary activities before taxation		16,921,970	12,518,392
Tax on profit on ordinary activities	8	-	5,823
Profit for the financial year		16,921,970	12,524,215
Profit for the financial year attributable to:			
Owners of the parent		12,902,286	9,997,308
Non-controlling interests		4,019,684	2,526,907

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

There difference between the profit for the financial year attributable to members stated above and its historical cost equivalent is £17,272,425 (2015: £12,079,144).

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

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

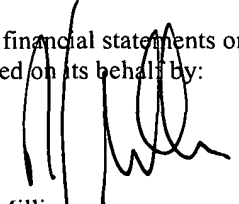
Parabola Property Limited

Consolidated Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	10	44,153,898	87,624,231
Property, plant and equipment	11	132,823	1,485,154
Intangible assets	12	7,912	11,049
		<u>44,294,633</u>	<u>89,120,434</u>
Current assets			
Cash at bank and in hand		7,734,571	9,160,975
Inventories	14	2,026,357	5,944,648
Debtors	15	2,546,834	4,153,788
		<u>12,307,762</u>	<u>19,259,411</u>
Creditors: Amounts falling due within one year	16	<u>(19,107,527)</u>	<u>(48,046,192)</u>
Net current liabilities		(6,799,765)	(28,786,781)
Total assets less current liabilities		<u>37,494,868</u>	<u>60,333,653</u>
Creditors: Amounts falling due after more than one year	17	-	(34,091,409)
Provisions for liabilities			
Deferred taxation	18	-	-
Net Assets		<u>37,494,868</u>	<u>26,242,244</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Profit and loss account		35,681,494	24,436,039
Total equity attributable to owners of the parent		<u>35,682,494</u>	<u>24,437,039</u>
Non-controlling interests		1,812,374	1,805,205
Total equity		<u>37,494,868</u>	<u>26,242,244</u>

The financial statements on pages 6 to 28 were approved by the Board of Directors on 15 November 2016 and signed on its behalf by:


P J Millican
Director

Company Registration Number: 07635796

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

Parabola Property Limited

Company Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	10	1,561,710	4,368,789
Property, plant and equipment	11	-	1,311,759
Investments	13	1,126,458	9,000
		<u>2,688,168</u>	<u>5,689,548</u>
Current assets			
Cash at bank and in hand		2,296,633	954,735
Debtors	15	8,377,335	7,595,961
		<u>10,673,968</u>	<u>8,550,696</u>
Creditors: Amounts falling due within one year	16	<u>(1,606,882)</u>	<u>(96,650)</u>
Net current assets		<u>9,067,086</u>	<u>8,454,046</u>
Total assets less current liabilities		<u>11,755,254</u>	<u>14,143,594</u>
Creditors: Amounts falling due after more than one year	17	-	(2,255,771)
Provisions for liabilities			
Deferred taxation	18	-	-
Net Assets		<u>11,755,254</u>	<u>11,887,823</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Profit and loss account		11,754,254	11,886,823
Total equity		<u>11,755,254</u>	<u>11,887,823</u>

The financial statements on pages 6 to 28 were approved by the Board of Directors on 15 November 2016 and signed on its behalf by:


P J Millican
Director

Company Registration Number: 07635796

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

Parabola Property Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	16,921,970	12,524,215
Adjustments for:		
Amortisation of intangible assets	3,157	2,706
Depreciation of property, plant and equipment	70,994	26,770
Fair value movement in investment property	(11,632,440)	(12,415,056)
Profit on disposal of investment property	(7,534,221)	(4,092,365)
Loss on disposal of property, plant and equipment	53,184	-
Fair value movement in financial assets	-	433,242
Loss on disposal of financial assets	1,423,173	-
Corporation tax	-	(5,823)
Decrease in trade and other debtors	1,180,320	3,316,987
Decrease in stocks	3,918,291	1,591,248
(Decrease) / increase in trade creditors and other creditors	(3,843,543)	4,887,797
Cash from operations	560,885	6,269,721
Corporate tax paid	-	-
Net cash generated from operating activities	560,885	6,269,721
Cash flows from investing activities		
Proceeds from sale of investment properties	56,888,198	22,175,885
Purchases of investment property	-	(28,519,989)
Development and other capital expenditure	(4,627,633)	(3,433,016)
Proceeds from sale of property, plant and equipment	1,232,740	-
Purchase of property, plant and equipment	(4,586)	(1,338,529)
Purchase of intangible assets	(20)	-
Step-acquisition of shares in subsidiary	(1,117,458)	-
Net cash generated from / (used in) investing activities	52,371,241	(11,115,649)
Cash flows from financing activities		
Proceeds from bank loans	-	1,221,365
Repayment of bank loans	(33,587,396)	-
Proceeds from other loans	-	27,762,832
Repayment of other loans	(14,802,400)	-
Proceeds from other financial assets	1,338,959	-
Purchase of other financial assets	(2,598,950)	(207,981)
Payments to non-controlling interests	(3,078,385)	(846,522)
Interest paid	(706,188)	(17,131,273)
Dividends paid	(390,000)	(160,000)
Distribution in kind of subsidiary in group	(534,170)	-
Net cash (used in) / generated from financing activities	(54,358,530)	10,638,421
Net (decrease) / increase in cash and cash equivalents	(1,426,404)	5,792,493
Cash and cash equivalents at the beginning of year	9,160,975	3,368,482
Cash and cash equivalents at end of year	7,734,571	9,160,975

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

Parabola Property Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

	Called up share capital	Profit and loss account (Parent)	Profit and loss account (Non-controlling interest)	Total equity
	£	£	£	£
At 1 April 2014	1,000	14,598,731	124,820	14,724,551
Profit for the financial year and total comprehensive income	-	9,997,308	2,526,907	12,524,215
Dividends	-	(160,000)	-	(160,000)
Distributions	-	-	(846,522)	(846,522)
At 31 March 2015	1,000	24,436,039	1,805,205	26,242,244
Profit for the financial year and total comprehensive income	-	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

Included in the profit and loss account is £9,706,182 of profits relating to a net fair value gain on investment property. These are not available for distribution to shareholders as they are unrealised.

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

Parabola Property Limited

Company Statement of Changes in Equity

Year ended 31 March 2016

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2014	1,000	10,090,425	10,091,425
Profit for the financial year and total comprehensive income	-	1,956,398	1,956,398
Dividends	-	(160,000)	(160,000)
At 31 March 2015	1,000	11,886,823	11,887,823
Profit for the financial year and total comprehensive income	-	265,431	265,431
Dividends	-	(398,000)	(398,000)
At 31 March 2016	<u>1,000</u>	<u>11,754,254</u>	<u>11,755,254</u>

Included in the profit and loss account is £388,260 of profits relating to a net fair value gain on investment property. This profit is not available for distribution to shareholders as it is unrealised.

The accounting policies and notes on pages 12 to 28 form part of these financial statements.

Parabola Property Limited

Statement of accounting policies

Year ended 31 March 2016

Statutory Information

Parabola Property Limited is a limited company domiciled and incorporated in England and Wales, registration number 07635796. 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.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 23 for an explanation of the transition. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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 2016. 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.

Parabola Property Limited

Statement of accounting policies

Year ended 31 March 2016

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.

Parabola Property Limited

Statement of accounting policies (continued)

Year ended 31 March 2016

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

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of 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 Property Limited

Notes to the financial statements

Year ended 31 March 2016

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 £265,431 (2015: £1,956,398).

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:

	2016 £	2015 £
United Kingdom	<u>13,113,934</u>	<u>10,959,346</u>
	2016 £	2015 £
Property disposals	7,072,150	2,212,500
Rental income	4,982,607	7,509,665
Service charge income	550,632	1,075,997
Other income	<u>508,545</u>	<u>161,184</u>
	<u>13,113,934</u>	<u>10,959,346</u>

3. Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Depreciation	70,994	26,770
Amortisation	3,157	2,706
Auditors' remuneration		
- as auditors	39,165	36,772
- other services	<u>424,452</u>	<u>175,296</u>

4. Particulars of employees

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

	2016 No	2015 No
Number of administrative staff	<u>10</u>	<u>8</u>

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	1,125,598	804,916
Social security costs	<u>113,401</u>	<u>99,116</u>
	<u>1,238,999</u>	<u>904,032</u>

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

5. Directors' remuneration

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

	2016 £	2015 £
Remuneration receivable	<u>568,710</u>	<u>488,514</u>

Remuneration of highest paid director:

	2016 £	2015 £
Total remuneration (excluding pension contributions)	<u>483,118</u>	<u>439,985</u>

6. Interest receivable and similar income

	2016 £	2015 £
Interest receivable	<u>47,546</u>	<u>3,109</u>

7. Interest payable and similar charges

	2016 £	2015 £
Interest payable on bank borrowing	1,677,579	1,123,936
Interest payable to related parties	504,013	2,122,118
Amortisation of deferred finance costs	593,046	234,507
Bank charges	5,693	6,750
	<u>2,780,331</u>	<u>3,487,311</u>

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

8. Tax on profit on ordinary activities

There is no current or deferred income tax charge for the period (2015: £nil).

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

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>16,921,970</u>	<u>12,518,392</u>
Tax on profit at standard UK tax rate of 20% (2015: 21%)	3,384,394	2,628,862
Expenses not deductible for tax purposes	1,654	217,173
Effect of relief claimed	3,215,875	706,644
Deferred tax not recognised	(2,801,566)	76,611
Income not assessable for tax purposes	<u>(3,800,357)</u>	<u>(3,629,290)</u>
Total tax	<u>-</u>	<u>-</u>

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

9. Dividends

	2016	2015
	£	£
Ordinary shares		
£390 (2015: £160) per £1 share	390,000	160,000
Distribution in kind of Parabola Edinburgh Park LLP		
£8 (2015: £nil) per £1 share	8,000	-
Total	398,000	160,000

10. Investment property

The group

	Freehold Investment Property
	£
Fair value	
At 1 April 2015	87,624,231
Additions	4,627,633
Disposals	(59,730,406)
Net gains from fair value adjustments	11,632,440
Transfers	-
At 31 March 2016	44,153,898
At 31 March 2015	87,624,231

The company

	Freehold Investment Property
	£
Fair value	
At 1 April 2015	4,368,789
Additions	18,231
Disposals	(2,662,399)
Net loss from fair value adjustments	(162,911)
Transfers	-
At 31 March 2016	1,561,710
At 31 March 2015	4,368,789

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 2016 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 £34,447,716 consolidated (2015: £75,209,175 consolidated) and £1,173,450 company (2015: £2,772,609).

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

11. Property, plant and equipment

The group

	Land and buildings £	Furniture and fittings £	Other assets £	Total £
Cost				
At 1 April 2015	1,338,529	146,197	42,050	1,526,776
Additions	-	4,586	-	4,586
Disposals	(1,338,529)	-	-	(1,338,529)
At 31 March 2016	-	150,783	42,050	192,833
Accumulated Depreciation				
At 1 April 2015	(26,770)	(14,852)	-	(41,622)
Charge for the year	(25,836)	(45,158)	-	(70,994)
Disposals	52,606	-	-	52,606
At 31 March 2016	-	(60,010)	-	(60,010)
Net book value				
At 31 March 2016	-	90,773	42,050	132,823
At 31 March 2015	1,311,759	131,345	42,050	1,485,154

The company

	Land and buildings £	Furniture and fittings £	Other assets £	Total £
Cost				
At 1 April 2015	1,338,529	-	-	1,338,529
Additions	-	-	-	-
Disposals	(1,338,529)	-	-	(1,338,529)
At 31 March 2016	-	-	-	-
Accumulated Depreciation				
At 1 April 2015	(26,770)	-	-	(26,770)
Charge for the year	(25,836)	-	-	(25,836)
Disposals	52,606	-	-	52,606
At 31 March 2016	-	-	-	-
Net book value				
At 31 March 2016	-	-	-	-
At 31 March 2015	1,311,759	-	-	1,311,759

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

12. Intangible assets

	Total £
Cost	
At 1 April 2015	15,784
Additions	20
At 31 March 2016	15,804
Accumulated amortisation	
At 1 April 2015	(4,735)
Charge for the year	(3,157)
At 31 March 2016	(7,892)
Net book value	
At 31 March 2016	7,912
At 1 April 2015	11,049

13. Investments

The company

	Total £
Cost	
At 1 April 2015	9,000
Additions	1,125,458
Disposals	(8,000)
At 31 March 2016	1,126,458
Net book value	
At 31 March 2016	1,126,458
At 31 March 2015	9,000

	2016	2015
	£	£
Investment in Parabola Industrial Estates Limited	1,125,458	8,000
Investment in Parabola Land Limited	1,000	1,000

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

13. Investments (continued)

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 2016 were as follows:

<i>Name</i>	<i>Ownership</i>	<i>Country of Incorporation</i>
Parabola Land Limited	100% (direct)	United Kingdom
Parabola Industrial Estates Limited	100% (direct)	United Kingdom
Parabola Capital LLP	80% (indirect)	United Kingdom

Principal activities

Parabola Land holds property and interests in property partnerships for investment purposes. Parabola Industrial Estates Limited holds property for trading purposes. Parabola Capital LLP hold property for investment purposes.

On 7 December 2015, Parabola Land Limited, disposed of its interest in Parabola Edinburgh Park LLP of £8,000 (2015: £8,000) via a distribution in kind to Parabola Property Limited, for nil consideration. Parabola Property Limited made an onwards distribution in kind of Parabola Edinburgh Park LLP on 7 December 2015 to the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust. The profit attributable to Parabola Edinburgh Park LLP in the period was £2,335,668. The fair value of the interest on disposal was £854,211 as set out below.

	Fair Value
Parabola Edinburgh Park LLP	£
Investment Property	10,600,000
Current Assets	633,178
Current Liabilities	(185,077)
Related Party Debt	(9,980,337)
Net assets	<u>£1,067,764</u>
Parabola Property Limited share of net assets	80% £854,211

Parabola Land Limited disposed of its shares in Parabola Edinburgh Park Centre Limited and Parabola Edinburgh Park Hermiston Limited in March 2016 to Parabola Edinburgh Park LLP for the £1 nominal value of the shares.

On 18 March 2016, Parabola Property Limited purchased the remaining shares in Parabola Industrial Estates Limited from Oliver Millican for £1,113,898. Costs attributable to the acquisition, including stamp duty, are included in the cost of the investment to Parabola Property Limited.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

14. Inventories

	2016	2015
	£	£
Trading properties	<u>2,026,357</u>	<u>5,944,648</u>

The cost of inventories recognised as an expense in the year is £4,244,778 (2015: £1,904,204). The replacement cost of inventories is taken to be the sale proceeds of these properties on disposal on 10 June 2016 of £4.2m.

15. Debtors

The group

	2016	2015
	£	£
Trade debtors	620,078	511,960
Other debtors	1,547,426	3,014,129
Amounts owed from related parties	49,522	-
Prepayments and accrued income	329,808	627,699
	<u>2,546,834</u>	<u>4,153,788</u>

The company

	2016	2015
	£	£
Trade debtors	24,570	29,965
Amounts owed by group undertakings	8,325,352	7,469,935
Other debtors	22,958	70,405
Prepayments and accrued income	4,455	25,656
	<u>8,377,335</u>	<u>7,595,961</u>

16. Creditors: Amounts falling due within one year

The group

	2016	2015
	£	£
Trade creditors	383,297	1,282,025
Taxation and social security	1,592,315	101,557
Other creditors	258,794	3,594,905
Accruals and deferred income	1,006,709	2,265,903
Amounts owed to director	9,687,738	15,196,048
Amounts owed to related parties	472,771	7,607,027
Amounts owed to the Dorian Development Trust	366,873	350,409
Amounts owed to the Corinthian Capital trust and the Dorian Development Trust	5,339,030	17,648,318
	<u>19,107,527</u>	<u>48,046,192</u>

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

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

The amount owed to related parties is accrued interest on a loan from Parabola Estates Limited which was unsecured. The principal was repaid in full on 3 March 2016 (2015: 7,500,000). Interest is accruing at 5%. Interest of £472,771 has been accrued at 31 March 2016.

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 2016 of £9,495,710 (2015: £13,905,870). Interest on the loan is accruing at 4% (2015: 4%) above 3 months LIBOR, and the total amount accrued at 31 March 2016 of £1,689,840 (2015: £1,268,976) has been included within the loan balance. The loan is repayable on demand. The loan is repayable on demand. £192,028 (2015: £21,202) 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 2016 of £nil (2015: £nil). The loans attract interest at 4% (2015: 4%) above 3 months LIBOR. Interest of £366,873 (2015: £350,409) has been accrued at 31 March 2016 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 2016 of £nil (2015: £11,775,000). The loans attract interest at 4% (2015: 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 £5,705,903 has been accrued at 31 March 2016 (2015: £6,223,727), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust.

The company

	2016	2015
	£	£
Trade creditors	12,926	15,552
Amounts owed to group undertakings	1,253,561	2,035
Taxation and social security	239,576	6,384
Other creditors	16,533	69,781
Accruals and deferred income	84,286	2,898
	<u>1,606,882</u>	<u>96,650</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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

The group

	2016	2015
	£	£
Bank loans and overdrafts	-	34,091,409

On 11 September 2015, the bank loan was fully repaid. The bank loan was secured over the industrial property portfolio and was held on a joint and several basis with Parabola Capital LLP and Parabola Industrial Estates Limited. The loan was repayable in instalments commencing in December 2017. Interest was payable quarterly on the loan at 3 month LIBOR plus a 3% margin.

On 25 January 2016, the £20,000,000 debt caps which were in place to June 2018 were terminated.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

17. Creditors: Amounts falling due after more than one year (continued)

The company

	2016	2015
	£	£
Bank loans and overdrafts	-	2,255,771

On 11 September 2015, the bank loan was fully repaid. The bank loan was secured over the industrial property portfolio and was held on a joint and several basis with Parabola Capital LLP and Parabola Industrial Estates Limited. The loan was repayable in instalments commencing in December 2017. Interest was payable quarterly on the loan at 3 month LIBOR plus a 3% margin.

18. Deferred taxation

The group

Deferred tax assets of £1,965,671 (2015: £3,527,616) have not been recognised.

The company

Deferred tax assets of £1,581,324 (2015: £965,610) have not been recognised.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

19. Financial Instruments

The group

	Note	2016 £	2015 £
Financial Assets			
Fair value through profit and loss			
Interest rate options		-	161,182
Amortised cost			
Trade debtors		620,078	511,960
Other debtors		1,547,426	3,014,129
Amounts owed from related parties		49,522	-
Cash		7,734,571	9,160,975
		<u>9,951,597</u>	<u>12,897,680</u>
Financial Liabilities			
Amortised cost			
Bank loans		-	34,091,409
Trade creditors		383,297	1,282,025
Taxation and social security		1,592,315	101,557
Other creditors		258,794	3,594,905
Amounts owed to director		9,495,710	15,196,048
Amounts owed to related parties		472,771	7,607,027
Amounts owed to the Dorian Development Trust		366,873	350,409
Amounts owed to the Corinthian Capital Trust and the Dorian Development Trust		5,339,030	17,648,318
		<u>17,908,790</u>	<u>79,871,698</u>

20. Related party transactions

At 31 March 2016, the group owed £5,705,903 (2015: £17,998,727) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £687,513 (2015: £1,010,425), capital advanced was £nil (2015: £nil), capital repayments were £nil (2015: £nil) and interest payments were £nil (2015: £nil). The large decrease in the related party debt in 2016 is due to Parabola Edinburgh Park LLP leaving the group on 7 December 2015.

At 31 March 2016, the group owed £9,687,738 (2015: £15,196,048) to P J Millican, director. The interest accrued in the year was £623,039 (2015: £956,506), interest paid was £202,175 (2015: £16,007,337), drawdowns were £nil (2015: £16,805,870) and capital repayments were £6,100,000 (2015: £2,900,000). £192,028 (2015: £21,202) of the amount owed to the director is an amount accrued as due under a bonus contract.

At 31 March 2016, the group owed £472,771 (2015: £7,607,027) to Parabola Estates Limited. The interest accrued in the year was £365,745 (2015: £107,027). Drawdowns were £nil (2015: £7,500,000) and capital repayments were £7,500,000 (2015: £nil).

At 31 March 2016, Parabola Edinburgh Park LLP owed the group £49,522 (2015: £nil). The balance relates to intergroup recharges incurred prior to the distribution of Parabola Edinburgh Park LLP to the ultimate controlling parties of the group.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

21. Called up share capital

Authorised share capital:

	2016	2015
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The company was incorporated on 16 May 2011 through the issue of 1,000 ordinary shares at £1 nominal value.

22. Ultimate controlling parties

Parabola Property 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. Transition to FRS 102

This is the first year that the group and company has presented its results under FRS 102. The last financial statements under old UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between old UK GAAP as previously reported and FRS 102.

Explanations

Changes for FRS102 adoption

1. Changes in the fair value of investment properties are now recognised in the income statement. Previously, changes were recognised in a separate asset revaluation reserve in the statement of financial position.
2. Interest rate options are now recognised at fair value at the end of the year with changes in fair value recognised in the income statement. Previously, the purchase price of interest rate options were amortised on a straight line basis to the income statement under interest payable and similar charges.

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

23. Transition to FRS 102 (continued)

Transition to FRS 102 – reconciliations

	Explanation	31 March 2015 £	1 April 2014 £
Restated consolidated statement of financial position			
Original shareholders' funds		26,416,713	14,563,108
Investment property at fair value to income statement	1	12,415,056	-
Removal of asset revaluation reserve	1	(12,415,056)	-
Fair value interest rate options from amortised book value	2	(174,469)	161,443
Restated shareholders' equity		<u>26,242,244</u>	<u>14,724,551</u>

	Explanation	31 March 2015 £	1 April 2014 £
Restated company statement of financial position			
Original shareholders' funds		11,887,823	10,091,425
Investment property at fair value to income statement	1	1,596,180	-
Removal of asset revaluation reserve	1	(1,596,180)	-
Restated shareholders' equity		<u>11,887,823</u>	<u>10,091,425</u>

	Explanation	31 March 2015 £	1 April 2014 £
Restated consolidated income statement			
Original profit on ordinary activities before taxation	1	445,071	553,357
Investment property at fair value to income statement	1	12,415,056	-
Fair value interest rate options from amortised book value	1	(335,912)	161,443
Reallocate current year amortisation interest rate options to fair value		(97,329)	(14,521)
Reallocate current year amortisation interest rate options from interest payable	2	97,329	14,521
Restated profit for the financial year		<u>12,524,215</u>	<u>714,800</u>

Parabola Property Limited

Notes to the financial statements (continued)

Year ended 31 March 2016

24. Events after the End of the Reporting Period

On 10 June 2016, three properties were sold for net proceeds of £6.9m.

On 25 May 2016, Parabola Real Estate Holdings Limited acquired the 1,000 ordinary shares in Parabola Property Limited from the Huddersfield Trust, Property Equity Trust and London and Paris Trust Trusts, in exchange for the allotment and issue of 997 ordinary shares at £1 each in itself. Accordingly, the ultimate controlling parties of the group, the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust, are unchanged.

On 9 September 2016, a dividend of £12m was paid by Parabola Property Limited to Parabola Real Estate Holdings Limited.

25. Operating leases

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

	2016	2015
	Land and buildings	Land and buildings
	£	£
Expiring within one year	37,467	-
Expiring between two and five years	72,949	29,734
Expiring in five years or more	-	-
Total	110,416	29,734

Lease payments of £49,932 (2015: £5,916) were recognised as an expense in the year.

26. 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:

	2016	2015
	£	£
Development and other capital expenditure	<u>675,552</u>	<u>3,523,257</u>