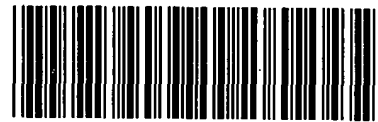


COMPANY REGISTRATION NUMBER: 0582504

PARNOVA CO. LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2023

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PARNOVA CO. LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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PARNOVA CO. LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2023

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment in residential properties in the UK. From time to time the company undertakes new developments and also the redevelopment of its existing properties. The company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the company's investment properties is considered to be potentially for sale in the right circumstances. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTORS

The directors who served the company during the year were as follows:

B S E Freshwater
D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's properties and its operations is carried out by Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn Co. Limited.

The only contracts in which directors were interested were those entered into in the normal course of business.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position on the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2022: £nil). The directors do not propose a final dividend for the year (2022: £nil).

This report was approved by the board of directors on 14 December 2023 and signed on behalf of the board by:



J S Southgate
Company Secretary

Registered office:
Freshwater House
158 - 162 Shaftesbury Avenue
London
WC2H 8HR

PARNOVA CO. LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2023

		2023	2022
	Note	£	£
TURNOVER	4	15,600	1,470
Cost of sales		<u>(4,575)</u>	<u>(17,144)</u>
GROSS PROFIT/(LOSS)		11,025	(15,674)
Administrative expenses		(3,103)	(4,063)
Net valuation (deficit)/gains on investment property		<u>—</u>	<u>(19,500)</u>
OPERATING PROFIT/(LOSS)		7,922	(39,237)
PROFIT/(LOSS) BEFORE TAXATION		7,922	(39,237)
Tax on profit/(loss)	6	<u>—</u>	<u>(14,000)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>7,922</u>	<u>(53,237)</u>

All the activities of the company are from continuing operations.

The notes on pages 5 to 11 form part of these financial statements.

PARNOVA CO. LIMITED

BALANCE SHEET

31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Investment properties	7	331,500	331,500
CURRENT ASSETS			
Debtors	8	207,367	198,995
CREDITORS: amounts falling due within one year	9	<u>(4,470)</u>	<u>(4,020)</u>
NET CURRENT ASSETS		<u>202,897</u>	<u>194,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>534,397</u>	<u>526,475</u>
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>(74,000)</u>	<u>(74,000)</u>
NET ASSETS		<u>460,397</u>	<u>452,475</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Capital reserves	13	65,638	65,638
Profit and loss account	13	394,757	386,835
TOTAL EQUITY		<u>460,397</u>	<u>452,475</u>

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 14 December 2023 and are signed on behalf of the board by:



B S E Freshwater

Director

Company registration number: 0582504

The notes on pages 5 to 11 form part of these financial statements.

PARNOVA CO. LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2023

	Called up share capital £	Capital reserves £	Profit and loss account £	Total £
AT 1 APRIL 2021	2	65,638	440,072	505,712
Loss for the year	—	—	<u>(53,237)</u>	<u>(53,237)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	(53,237)	(53,237)
AT 31 MARCH 2022	2	65,638	386,835	452,475
Profit for the year	—	—	<u>7,922</u>	<u>7,922</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	7,922	7,922
AT 31 MARCH 2023	<u>2</u>	<u>65,638</u>	<u>394,757</u>	<u>460,397</u>

The notes on pages 5 to 11 form part of these financial statements.

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Parnova Co. Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions applicable to companies subject to the small companies' regime and voluntarily adopting FRS 102, 'The Financial Reporting Standard applicable to the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due, based on available sources of finance.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Disclosure exemptions

In these financial statements, the company is considered to be a small company (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

3. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

3. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred and when it is probable that the economic benefits will flow to the company. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income and expenses

Interest receivable and interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest payable and similar charges include interest payable on intercompany loans and late payment charges.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors during the year (2022: £Nil).

6. TAX ON PROFIT/(LOSS)

Major components of tax expense

	2023 £	2022 £
Deferred tax:		
Origination and reversal of timing differences	–	(4,947)
Impact of change in tax rate	–	18,947
Total deferred tax	–	14,000
Tax on profit/(loss)	–	14,000

All tax is recognised in the profit and loss account.

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

6. TAX ON PROFIT/(LOSS) *(continued)*

Reconciliation of tax expense

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Profit/(loss) on ordinary activities before taxation	<u>7,922</u>	<u>(39,237)</u>
Profit/(loss) on ordinary activities by rate of tax	1,505	(7,455)
Unused tax losses	(1,505)	3,750
Timing differences on unrealised gains	-	(1,242)
Impact of change in tax rate	-	<u>18,947</u>
Tax on profit/(loss)	<u>-</u>	<u>14,000</u>

Factors that may affect future tax income

An increase in the main UK corporation tax rate to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future tax charge accordingly.

The deferred tax liability at 31 March 2023 has been calculated based on the rate of 25% (2022: 25%).

7. INVESTMENT PROPERTIES

	Long leasehold property £
Fair value	
At 1 April 2022 and 31 March 2023	<u>331,500</u>
Carrying amount	
At 31 March 2023	<u>331,500</u>
At 31 March 2022	<u>331,500</u>

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

7. INVESTMENT PROPERTIES *(continued)*

Investment properties held at valuation

An independent professional revaluation of the Company's property was carried out at 31 March 2023 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

Valuation techniques and key inputs

The company's residential apartments £331,500 (2022: £331,500) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies.

Historical cost model

The historical cost of investment properties at 31 March 2023 is £630 (2022: £630).

8. DEBTORS

	2023	2022
	£	£
Trade debtors	1,692	–
Prepayments and accrued income	184	401
Other debtors	<u>205,491</u>	<u>198,594</u>
	<u>207,367</u>	<u>198,995</u>

Other debtors include £203,991 (2021: £197,094) due from a connected company referred to in note 14. The amount is interest free and repayable on demand.

9. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Other creditors	<u>4,470</u>	<u>4,020</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax (note 11)
	£
At 1 April 2022 and 31 March 2023	<u>74,000</u>

PARNOVA CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

11. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023	2022
	£	£
Included in provisions for liabilities and charges (note 10)	<u>74,000</u>	<u>74,000</u>
The deferred tax account consists of the tax effect of timing differences in respect of:		
	2023	2022
	£	£
Revaluation of investment properties	<u>74,000</u>	<u>74,000</u>

12. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022
	No.	£	No.
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>

13. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Capital reserves include all current and prior retained profits arising from the disposal of the company's investment properties. These profits are not available for distribution as stipulated in the Articles of Association of the company.

Profit and loss account includes all current and prior period retained profits and losses.

14. RELATED PARTY TRANSACTIONS

Day-to-day management of the company and its properties is carried out by Highdorn Co. Limited, a company in which Mr B S E Freshwater is a director and has a non-beneficial interest in its share capital.

During the year £450 (2022: £450), including VAT, was paid to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

15. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 7). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 3 above, all the company's properties are valued by external valuers with appropriate qualifications and experience.