

**PARHAM INVESTMENT LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022**

E d w a r d s & K e e p i n g

Chartered Accountants

PARHAM INVESTMENT LIMITED

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PARHAM INVESTMENT LIMITED

COMPANY INFORMATION

Directors Mr J R Drax
Mr P S Dove
Mr E Q Drax
Mrs L H Catford

Company secretary Mr J R Drax

Registered office Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA

Accountants Edwards & Keeping
Chartered Accountants
Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF PARHAM INVESTMENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Parham Investment Limited for the year ended 31 December 2022 as set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Parham Investment Limited, as a body, in accordance with the terms of our engagement letter dated 5 July 2023. Our work has been undertaken solely to prepare for your approval the accounts of Parham Investment Limited and state those matters that we have agreed to state to the Board of Directors of Parham Investment Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parham Investment Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Parham Investment Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Parham Investment Limited. You consider that Parham Investment Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Parham Investment Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Edwards & Keeping
Chartered Accountants
Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA

14 August 2023

PARHAM INVESTMENT LIMITED

(REGISTRATION NUMBER: 02383522)
BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Investment property	<u>5</u>		73,995,000		74,645,000
Investments			<u>70</u>		<u>70</u>
			73,995,070		74,645,070
Current assets					
Debtors	<u>7</u>	14,055,970		14,316,049	
Creditors: Amounts falling due within one year	<u>8</u>	<u>(10,633,272)</u>		<u>(14,807,304)</u>	
Net current assets/(liabilities)			<u>3,422,698</u>		<u>(491,255)</u>
Total assets less current liabilities			77,417,768		74,153,815
Provisions for liabilities			<u>(4,248,012)</u>		<u>(4,299,772)</u>
Net assets			<u><u>73,169,756</u></u>		<u><u>69,854,043</u></u>
Capital and reserves					
Called up share capital		15,000,000		15,000,000	
Revaluation reserve		28,150,930		28,137,760	
Profit and loss account		<u>30,018,826</u>		<u>26,716,283</u>	
Total equity			<u><u>73,169,756</u></u>		<u><u>69,854,043</u></u>

For the financial year ending 31 December 2022 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 11 August 2023 and signed on its behalf by:

Mrs L H Catford
Director

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA
United Kingdom

The principal place of business is:

3rd Floor
18 Wells Street
London
W1T 3PG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for rents receivable on properties held as investment properties in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable

income.

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for rental income or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2021 - 4).

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4 Profit before tax

Disclosed separately on the profit and loss is £nil (2021 - £160,000) relating to valuation adjustments on the investment properties and £5,155 (2021 - £Nil) relating to the loss on disposal of investment property. Audit fees of £Nil (2021 - £7,400) in relation to the audit of this company are met by the parent.

5 Investment properties

	2022 £
At 1 January	74,645,000
Disposals	<u>(650,000)</u>
At 31 December	<u><u>73,995,000</u></u>

The investment properties class of fixed assets was revalued on 1 July 2020 by Colliers International Valuation UK LLP who are external to the company. The basis of this valuation was market value however this valuation did refer to material valuation uncertainty.

The inclusion of a material valuation uncertainty by Colliers in 2020 indicates that less certainty and a higher degree of caution should be considered when their valuations are taken into account. However, with the occupancy rate of the property portfolio continuing on a similar basis to previous years, this valuation, having compared previous and current rental returns of the properties, is still considered by the directors to provide an appropriate basis for consideration to values as at 31 December 2022. These valuations have been adjusted for any subsequent property transactions that have been agreed to date.

Recognising that a number of properties require refurbishment to attain the most competitive levels of return and capital value, and, recognising the ongoing volatility of price and availability of building materials has caused significant delay and difficulty in determining values for properties to which refurbishments are planned, has resulted in material valuation uncertainty when valuations have been considered by the directors for values as at 31 December 2022.

The directors consider the value of the investment properties at 31 December 2022 to be unchanged from the valuation figures provided by Colliers International on 1 July 2020, subject to variation where subsequent transactions have been secured. This class of assets has a current market value of £73,995,000 (2021 - £74,645,000).

6 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>70</u>	<u>70</u>
Subsidiaries		£
Cost		
At 1 January 2022		<u>70</u>
Provision		
Carrying amount		
At 31 December 2022		<u><u>70</u></u>
At 31 December 2021		<u><u>70</u></u>

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
The Royce Trading Estate and Management Company Limited	England & Wales	Ordinary	70%	70%

Subsidiary undertakings

The Royce Trading Estate and Management Company Limited

The principal activity of The Royce Trading Estate and Management Company Limited is to manage the amenity premises on the Royce Trading Estate. The company is a not for profit mutual trading company. Its financial period end is 31 March. The profit for the financial period of The Royce Trading Estate and Management Company Limited was £- and the aggregate amount of Capital and reserves at the end of the period was £100.

7 Debtors

		2022	2021
Current	Note	£	£
Amounts owed by related parties	<u>11</u>	13,662,823	13,648,396
Prepayments		173,720	140,701
Other debtors		219,427	526,952
		<u>14,055,970</u>	<u>14,316,049</u>

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>11</u>	9,027,818	13,142,598
Taxation and social security		580,937	224,331
Accruals and deferred income		1,024,517	1,440,375
		<u>10,633,272</u>	<u>14,807,304</u>

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	15,000,000	15,000,000	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £22,750,000 (2021 - £23,750,000). The group has a bank loan facility; the loan capital is secured on the investment and development properties held within the group and the investment in shares of the subsidiary companies held by Parham Holdings Limited.

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11 Related party transactions

Summary of transactions with parent

Parham Holdings Limited - 100% parent company

Inter company loan account

Balance is repayable on demand

All transactions of the company are made via the parent company and transferred to the subsidiary via an inter-company loan account transfer. The parent has also recharged interest charges of £757,000 (2021 - £502,000) and management charges of £1,632,000 (2021 - £1,006,000) to this company.

Summary of transactions with all subsidiaries

Parham Development Limited - a fellow 100% subsidiary of Parham Holdings Limited

Inter-company loan account

Transfer of property

Balance is repayable on demand

Loans from related parties

	Parent £	Total £
2022		
At start of period	13,142,598	13,142,598
Advanced	1,632,000	1,632,000
Repaid	(6,503,780)	(6,503,780)
Interest transactions	757,000	757,000
	<hr/>	<hr/>
At end of period	9,027,818	9,027,818
	<hr/>	<hr/>
	Parent £	Total £
2021		
At start of period	15,533,959	15,533,959
Advanced	1,006,000	1,006,000
Repaid	(3,899,361)	(3,899,361)
Interest transactions	502,000	502,000
	<hr/>	<hr/>
At end of period	13,142,598	13,142,598
	<hr/>	<hr/>

Terms of loans from related parties

Inter-company loans are repayable on demand

Loans to related parties

	Subsidiary £	Total £
2022		
At start of period	13,648,397	13,648,397
Advanced	14,426	14,426
	<hr/>	<hr/>
At end of period	13,662,823	13,662,823
	<hr/>	<hr/>

PARHAM INVESTMENT LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	Subsidiary £	Total £
2021		
At start of period	13,657,413	13,657,413
Advanced	2,450	2,450
Repaid	(11,466)	(11,466)
	<hr/>	<hr/>
At end of period	13,648,397	13,648,397

12 Parent and ultimate parent undertaking

100% subsidiary

The company's immediate parent is Parham Holdings Limited, incorporated in England and Wales. The immediate parent company is exempt from preparing consolidated group accounts as the group is small.

The ultimate parent is Beaulieu Property Management Limited, incorporated in England and Wales. The ultimate parent company is exempt from preparing consolidated group accounts as the group is small.

The most senior parent entity producing publicly available financial statements is Beaulieu Property Management Limited. These financial statements are available upon request from Companies House

The ultimate controlling party is Mr J R Drax (Director).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.