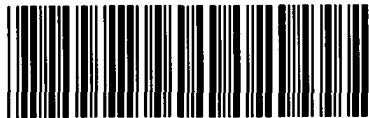


Parabola Princes Street Limited

Filleted Financial statements

For the period from incorporation to 31 March 2021

MONDAY



SACH62W8

SCT

06/09/2021

#38

COMPANIES HOUSE

COMPANIES HOUSE

6 SEP 2021

EDINBURGH MAILBOX

Parabola Princes Street Limited

Financial statements

Period from 27 August 2020 to 31 March 2021

Contents	Page
Statement of Financial Position	1
Statement of Accounting Policies	2
Notes to the financial statements	5

Parabola Princes Street Limited

Statement of Financial Position

As at 31 March 2021

	Note	2021 £
Fixed assets		
Investment property	1	34,010,516
		<u>34,010,516</u>
Current assets		
Cash at bank and in hand		1,907,695
Debtors	2	850,919
		<u>2,758,614</u>
Creditors: Amounts falling due within one year	3	(21,059,373)
Net current liabilities		<u>(18,300,759)</u>
Total assets less current liabilities		15,709,757
Creditors: Amounts falling due after more than one year	4	(13,095,289)
Provision for other liabilities	5	(2,950,490)
		<u>(336,022)</u>
Net liabilities		<u>(336,022)</u>
Capital and reserves		
Called up share capital	6	1
Profit and loss account		(336,023)
		<u>(336,022)</u>
Total shareholders' deficit		<u>(336,022)</u>

For the financial period from incorporation to 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The directors' report and profit and loss account have been prepared but not delivered to Companies House in accordance with the small companies' provisions.

The financial statements on pages 1 to 7 were approved by the Board of Directors on 10 August 2021 and signed on its behalf by:



P J Millican
Director

Company Registration Number: 12840509

The accounting policies and notes on pages 2 to 7 form part of these financial statements.

Parabola Princes Street Limited

Statement of Accounting Policies

Period from 27 August 2020 to 31 March 2021

Company Information

Parabola Princes Street Limited is a private company limited by shares domiciled and incorporated in England and Wales, registration number 12840509. The registered office is Level 13 Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

Basis of preparation

These 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 also prepared in accordance with the requirements for companies subject to the small companies' regime set out in Parts 15 and 16 of the Companies Act 2006.

The financial statements are presented in Sterling (£).

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows and a statement of changes in equity, on the basis that it meets the definition of a small company as set out in section 382 of the Companies Act and is not excluded from the small companies regime by section 384 of the Act; and
- (ii) From disclosing the company key management personal compensation, as required by FRS 102 as the company has no employees.

Going concern

The accounts have been prepared on the going concern basis as the company has access to financial resources from across the Parabola group and from the ultimate controlling parties. The company also has bank finance available and a known income stream from the tenant of the investment property. Based on the company forecasts the Directors believe the company will be able to operate within the level of current resources. Accordingly, they continue to prepare the financial statements on a going concern basis.

COVID-19

A global pandemic was declared by the WHO on 11 March 2020, and there remains uncertainty over the longer term economic impacts. The directors are monitoring the impact on the company, and have noted that there are risks around property valuations, and future rental income. The directors deem the risks to be low as a long lease is in place with a strong covenant tenant. The directors have deemed the investment property value to be fair value as at the period end date, with no impairment recognised.

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 valuation of the investment property.

Parabola Princes Street Limited

Statement of Accounting Policies (continued)

Period from 27 August 2020 to 31 March 2021

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 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.

Investment property

Investment property is included at fair value and changes in fair value are recognised in the profit and loss. Deferred tax is not provided on these movements as there is no current intention to dispose of the investment property.

Provisions for liabilities

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial assets

Basic financial assets, which include trade debtors and other receivables, 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 rate 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 a 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 classified as receivable within one year are not amortised.

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.

Parabola Princes Street Limited

Statement of Accounting Policies (continued)

Period from 27 August 2020 to 31 March 2021

Financial Liabilities

Basic financial liabilities, including trade creditors and other payables, bank loans, loans from fellow group companies that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

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

Financial liabilities classified as payable within one year are not amortised.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Parabola Princes Street Limited

Notes to the Financial Statements

Period from 27 August 2020 to 31 March 2021

1. Investment property

	Total
	£
Cost	
Additions	34,010,516
At 31 March 2021	<u>34,010,516</u>
Net book value	
At 31 March 2021	<u>34,010,516</u>

The investment property represents a building at Princes Street & Hope Street, Edinburgh which was purchased on 2 October 2020 for £31,049,510 plus a capital expenditure provision of £2,950,490, thereby the total acquisition cost was £34,000,000. This was in line with an independent valuation carried out on 30 September 2020 stating this as the property's fair value as at that date. The building was purchased from the parent company, Parabola Real Estate Holdings Limited.

The directors have considered the valuation performed is the fair value as at the period end date, in conjunction with the capitalisation of professional fees in relation to the acquisition.

2. Debtors

	2021
	£
Trade debtors	136,609
Other debtors	120
Prepayments and accrued income	714,190
	<u>850,919</u>

3. Creditors: Amounts falling due within one year

	2021
	£
Bank loan	14,467
Amounts owed to group undertakings	5,473,510
Amounts owed to related parties	15,428,347
Taxation and social security	18,768
Accruals and deferred income	124,281
	<u>21,059,373</u>

Amounts owed to group undertakings includes a loan from Parabola Real Estate Holdings Limited for £5,449,510. This is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Parabola Princes Street Limited

Notes to the Financial Statements (continued)

Period from 27 August 2020 to 31 March 2021

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

Amounts owed to related parties relate to loans from Corinthian Capital Trust and Dorian Development Trust. The principal amount outstanding at 31 March 2021 is £15,100,000 and 5% interest is chargeable on the loans with accrued interest at 31 March 2021 of £328,347. These loans are unsecured and are repayable on demand.

Loan amounts owed to group undertakings and related parties are subordinate to the bank loan debt.

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

	2021 £
Bank loan	13,095,289
	<hr/>
	13,095,289
	<hr/>

The company has a £16.9m term loan facility, of which £13.3m has been drawn down at the period end. Each drawdown carries a fixed interest rate to expiry, which is variable depending on drawdown date, plus a margin of 2.45%. The loan is due to be repaid by 20 December 2025.

The bank facilities are secured by fixed and floating charge over the assets of the company.

5. Provisions for other liabilities

	Capital contribution to tenant of investment property £
Capitalised in investment property	2,950,490
	<hr/>
At 31 March 2021	2,950,490
	<hr/>

The capital contribution is an amount that will become payable to the tenant relating to works at the company's investment property, a provision for which has been recognised due to the obligations in the agreement for lease.

Parabola Princes Street Limited

Notes to the Financial Statements (continued)

Period from 27 August 2020 to 31 March 2021

6. Called up share capital

Authorised share capital:

	2021
	£
1 Ordinary share of £1 each	1
	<u>1</u>

Allotted, called up and fully paid:

	2021
	£
1 Ordinary share of £1 each	1
	<u>1</u>

7. Related party transactions

At 31 March 2021, the company owed the following amounts to related parties, relating to loans:

	2021		
	Loan capital	Accrued interest	Total outstanding
	£	£	£
Corinthian Capital Trust	10,800,000	234,844	11,034,844
Dorian Development Trust	<u>4,300,000</u>	<u>93,503</u>	<u>4,393,503</u>

Charitable donations of £475,000 were made to Parabola Foundation during the period, a charity which P J Millican is a trustee of.

Management fees of £120,000, net of VAT, from Parabola Real Estate Investment Management LLP were incurred in the period and at the period end, £24,000 was outstanding and included within Amounts owed to group undertakings.

8. Ultimate controlling parties

Parabola Princes Street Limited is owned by Parabola Real Estate Holdings Limited. This company operates under the joint ownership and control the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust by virtue of the shares held by them.

9. Particulars of employees

The company had no employees in the period.

Employees of Parabola Real Estate Investment Management LLP help to administer the affairs of Parabola Princes Street Limited and management fees for these services are charged to the company.