

**Parabola Industrial Estates Limited**

**Financial statements**

**31 March 2015**

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# **Parabola Industrial Estates Limited**

## **Financial statements**

**Year ended 31 March 2015**

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# Parabola Industrial Estates Limited

## Directors' report

### Year ended 31 March 2015

The directors present their report and the audited financial statements of the company for the year ended 31 March 2015.

### Principal activities and business review

The principal activity of the company during the financial year was the trading of property.

The profit for the financial year was £204,876 (2014:£393,896)

### Future outlook

The company intends to continue to look for opportunities to acquire and sell property for gain. However, in light of favourable market conditions the expectation is that the current stock of property will be sold and opportunities to purchase attractive new stock will be limited.

### Directors

The directors of the company during the year and up to the date of signing the financial statements were as follows:

P J Millican

O J Millican

L Bowden

P Clark

(Appointed 30 September 2014)

(Retired 30 September 2014)

### 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 property stock and refinancing risk.

### Financial risk management

The main financial risk facing the company is interest rate movement. In order to mitigate this risk hedging arrangements are in place and further details can be seen in note 11 to the financial statements.

### 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.

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the 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;

# Parabola Industrial Estates Limited

## Directors' report *(continued)*

**Year ended 31 March 2015**

- ☐ 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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:

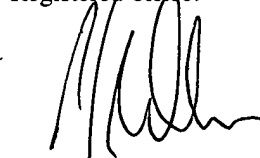
- ☐ so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- ☐ each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's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

### Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Registered office:

Signed on behalf of the board



**P J Millican**  
Director

Approved by the directors on 5 October 2015

# **Parabola Industrial Estates Limited**

## **Independent auditors' report to the members of Parabola Industrial Estates Limited**

**Year ended 31 March 2015**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Parabola Industrial Estates Limited's financial statements (the "financial statements"): give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit 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**

Parabola Industrial Estates Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

# Parabola Industrial Estates Limited

## Independent auditors' report to the members of Parabola Industrial Estates Limited (*continued*)

Year ended 31 March 2015

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, 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 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 Financial Statements 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  
5 October 2015

# Parabola Industrial Estates Limited

## Profit and loss account

Year ended 31 March 2015

	Note	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
<b>Turnover</b>	<b>1</b>	<b>3,401,669</b>	<b>2,985,168</b>
Cost of sales		<u>(2,679,887)</u>	<u>(1,662,631)</u>
<b>Gross profit</b>		<b>721,782</b>	<b>1,322,537</b>
Administrative expenses		<u>(177,524)</u>	<u>(451,950)</u>
<b>Operating profit</b>	<b>2</b>	<b>544,258</b>	<b>870,587</b>
Interest receivable and similar income	<b>4</b>	<b>187</b>	<b>965</b>
Interest payable and similar charges	<b>5</b>	<u>(339,569)</u>	<u>(477,656)</u>
<b>Profit on ordinary activities before taxation</b>		<b>204,876</b>	<b>393,896</b>
Tax on profit on ordinary activities	<b>6</b>	<b>-</b>	<b>-</b>
<b>Profit for the financial year/period</b>		<u><b>204,876</b></u>	<u><b>393,896</b></u>

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

The company has no recognised gains or losses other than the results for the year as set out above.

There is no difference between the profit for the financial year/period attributable to members stated above and its historical cost equivalent.

The accounting policies and notes on pages 7 to 12 form part of these financial statements

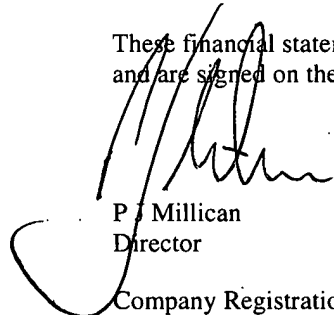
# Parabola Industrial Estates Limited

## Balance sheet

31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	7	—	3,854
<b>Current assets</b>			
Stocks	8	5,944,648	7,535,896
Debtors	9	598,067	762,237
Cash at bank and in hand		250,152	68,917
		<u>6,792,867</u>	<u>8,367,050</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(3,681,132)</u>	<u>(5,010,744)</u>
<b>Net current assets</b>		<u>3,111,735</u>	<u>3,356,306</u>
<b>Total assets less current liabilities</b>		<u>3,111,735</u>	<u>3,360,160</u>
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(2,502,963)</u>	<u>(2,956,264)</u>
<b>Net assets</b>		<u><u>608,772</u></u>	<u><u>403,896</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	10,000	10,000
Profit and loss account	14	598,772	393,896
<b>Total shareholders' funds</b>	15	<u><u>608,772</u></u>	<u><u>403,896</u></u>

These financial statements were approved by the Board of directors and authorised for issue on 5 October 2015, and are signed on their behalf by:

  
P J Millican  
Director

Company Registration Number: 08248911

The accounting policies and notes on pages 7 to 12 form part of these financial statements

# **Parabola Industrial Estates Limited**

## **Statement of accounting policies**

**Year ended 31 March 2015**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

### **Cash flow statement**

As the company is a small entity, the members have taken advantage of the exemption from preparing a cash flow statement afforded to them in Financial Reporting Standard Number 1 "Cash flow statements (revised 1996)".

### **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.

### **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.

### **Stocks**

Stock consists of properties and these are stated at the lower of cost and net realisable value. Net realisable value is the price at which properties can be sold in the normal course of business after allowing for the costs of realisation. Cost comprises direct costs and any refurbishment costs.

### **Accrued income**

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

### **Deferred income**

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

# Parabola Industrial Estates Limited

## Notes to the financial statements

Year ended 31 March 2015

### 1. Turnover

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

### 2. Operating profit

Operating profit is stated after charging:

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
Amortisation of intangible assets	-	422
Auditors' remuneration - for audit fees	6,365	5,500
Auditors' remuneration - for other services	<u>10,277</u>	<u>-</u>

### 3. Particulars of employees

The company had no employees in the year. During the year, no director received emoluments in respect of his services to the company.

Employees of Parabola Land Limited (2014: Parabola Estates Limited) administer the affairs of Parabola Industrial Estates Limited and a portion of their salaries are recharged accordingly.

The amounts recharged were:

	2015 £	2014 £
Wages and salaries	29,973	13,490
Social security costs	3,359	1,498
Pension costs	1,358	-
Other benefits	571	-

### 4. Interest receivable and similar income

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
Interest receivable	<u>187</u>	<u>965</u>

# Parabola Industrial Estates Limited

## Notes to the financial statements

Year ended 31 March 2015

### 5. Interest payable and similar charges

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
Interest payable on bank borrowing	118,008	44,093
Interest payable on group undertakings	188,203	418,072
Amortisation of deferred finance costs	33,311	14,945
Bank charges	47	546
	<u>339,569</u>	<u>477,656</u>

### 6. Taxation on profit on ordinary activities

#### Analysis of charge in the year/period

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
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#### Current tax:

UK Corporation tax based on the results for the year at 21.00% (2014 - 23.3%)

#### Factors affecting current tax charge

The tax rate assessed for the year is lower (2014: lower) than the effective rate of corporation tax in the UK of 21%. The differences are explained below:

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
Profit on ordinary activities before taxation	<u>204,876</u>	<u>393,896</u>
Profit on ordinary activities by rate of tax 21.00% (2014: 23.33%)	43,024	91,857
Expenses not deductible for tax purposes	5,949	6,879
Group relief not paid for	(48,973)	(98,736)
Total current tax	<u>-</u>	<u>-</u>

#### Factors that may impact the future tax charge

The main rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Legislation to reduce the main rate of corporation tax from 21% to 20% on 1 April 2015 was included in the Finance Act 2013 and this was substantively enacted on 2 July 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 21% and deferred taxation has been calculated based on a rate of 20%.

# Parabola Industrial Estates Limited

## Notes to the financial statements

Year ended 31 March 2015

### 7. Intangible fixed assets

	Total £
<b>Cost</b>	
At 1 April 2014	4,287
Transfers	(4,287)
<b>At 31 March 2015</b>	<u>–</u>
<b>Amortisation</b>	
At 1 April 2014	433
Transfers	(433)
<b>At 31 March 2015</b>	<u>–</u>
<b>Net book value</b>	
<b>At 31 March 2015</b>	<u>–</u>
At 31 March 2014	<u>3,854</u>

### 8. Stocks

	2015 £	2014 £
Trading properties	<u>5,944,648</u>	<u>7,535,896</u>

### 9. Debtors

	2015 £	2014 £
Trade debtors	73,357	155,396
Amounts owed by group undertakings	–	31,325
Other debtors	485,819	501,171
Prepayments and accrued income	38,891	74,345
	<u>598,067</u>	<u>762,237</u>

### 10. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	199,104	47,018
Amounts owed to group undertakings	3,238,285	4,578,912
Taxation and social security	62,635	–
Accruals and deferred income	181,108	384,814
	<u>3,681,132</u>	<u>5,010,744</u>

# Parabola Industrial Estates Limited

## Notes to the financial statements

Year ended 31 March 2015

### 11. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	<u>2,502,963</u>	<u>2,956,264</u>

The bank loan is secured over the industrial property portfolio and is held on a joint and several basis with Parabola Capital LLP. The loan is repayable in instalments commencing in December 2017. Interest is payable on the loan at 3 month LIBOR plus a 3% margin.

A £20,000,000 debt cap is in place to June 2018 at a rate of 2% in the name of Parabola Land Limited, a group undertaking. A further £20,000,000 debt cap is in place to June 2018 at a rate of 3% in the name of Parabola Land Limited, a group undertaking.

### 12. Related party transactions

At 31 March 2015, the company owed £3,216,275 (2014: £4,578,072) to Parabola Property Limited. The interest accrued in the year was £188,203 (2014: £352,336). Drawdowns were £nil (2014: 4,500,000) and capital repayments were £1,550,000 (2014: £4,000,000).

Administrative expenses of £15,418 (2014: £50,664) were recharged from Parabola Capital LLP. At the year end £22,147 (2014: £31,325) was owed to Parabola Capital LLP.

Wages and social security costs of £35,261 (2014:£nil) and administrative costs of £24,993 (2014:£nil) were recharged from Parabola Land Limited. At the year end £3,990 (2014:£nil) was owed to Parabola Land Limited.

Wages and social security costs of £nil (2014:£13,490) and administrative costs of £nil (2014:£1,498) were recharged from Parabola Estates Limited. At the year end £nil (2014:£nil) was owed to Parabola Estates Limited.

### 13. Share capital

#### Authorised share capital:

	2015	2014
	£	£
10,000 (2014: 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

#### Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

The company was incorporated on 11 October 2012 through the issue of 10,000 ordinary shares at £1 nominal value.

# Parabola Industrial Estates Limited

## Notes to the financial statements

Year ended 31 March 2015

### 14. Profit and loss account

	Year to 31 Mar 15 £	Period from 11 Oct 12 to 31 Mar 14 £
Balance brought forward	393,896	–
Profit for the financial year/period	204,876	393,896
Balance carried forward	<u>598,772</u>	<u>393,896</u>

### 15. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year/period	204,876	393,896
New ordinary share capital subscribed	–	10,000
Net addition to shareholders' funds	204,876	403,896
Opening shareholders' funds	403,896	–
Closing shareholders' funds	<u>608,772</u>	<u>403,896</u>

### 16. Ultimate controlling parties

The immediate parent undertaking is Parabola Property Limited.

The ultimate parent and controlling parties of the company are the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust by virtue of the shares held by them in the company's parent entity.

The results of the company are not included in a consolidated set of financial statements.