

Parabola Edinburgh Park LLP

Financial statements

31 March 2017

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Parabola Edinburgh Park LLP

Financial statements

Year ended 31 March 2017

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Parabola Edinburgh Park LLP

Designated members and advisors

Designated members

Peter John Millican, Deborah Alison Jude and Anne Deborah Millican as Trustees for and on Behalf of the Property Equity Trust, Huddersfield Trust and London and Paris Trust
Oliver James Millican

Registered office

Broadgate Tower
20 Primrose Street
London
England, EC2A 2EW

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants
& Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Parabola Edinburgh Park LLP

Members' report for the year ended 31 March 2017

Principal activities

The principal activity of the LLP is that of holding property and land for investment purposes and to seek to realise investment capital gains in due course. This was sold during the year as part of Group restructure to Parabola Edinburgh Limited, related parties by virtue of common influence.

Designated members

The following were designated members during the year and up to the date of signing:

Peter John Millican, Deborah Alison Jude and Anne Deborah Millican as Trustees for and on Behalf of the Property Equity Trust, Huddersfield Trust and London and Paris Trust
Oliver James Millican

Policy for drawings, subscription and repayment of members' capital

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business. There were no transfers of members' interests from equity to debt (and vice versa) during the year and up to the date the financial statements were approved. The policy for drawings, subscription and the repayment of members' capital are stated in the members' agreement.

Statement of members' responsibilities in respect of the financial statements

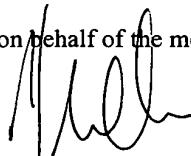
The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and applicable law). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its members 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 partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the members



Trustees for and on Behalf of the Huddersfield Trust, Property Equity Trust and London and Paris Trust
Designated member
20 November 2017

Parabola Edinburgh Park LLP

Independent auditors' report to the members of Parabola Edinburgh Park LLP

Report on the financial statements

Our opinion

In our opinion, Parabola Edinburgh Park LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.
-

What we have audited

The financial statements, included within the Financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2017;
- the income statement for the year then ended;
- the statement of changes in members' equity 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 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 members 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.

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 as applicable to limited liability partnerships 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on page 2, the members 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.

Parabola Edinburgh Park LLP

Independent auditors' report to the members of Parabola Edinburgh Park LLP (continued)

Responsibilities for the financial statements and the audit (continued)

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' 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
20 November 2017

Parabola Edinburgh Park LLP

Income statement

Year ended 31 March 2017

	Note	Year to 31 March 17 £	Year to 31 March 16 £
Turnover	1	90,749	159,898
Administrative expenses		(130,349)	(483,856)
Profit on disposal of investment property		16,468,108	-
Income from shares in group undertaking		48,414	-
Fair value gain on investment property		-	3,127,775
Profit on ordinary activities before interest	2	16,476,922	2,803,817
Interest receivable and similar income	4	948	684
Interest receivable from members	4	1,293	-
Interest payable and similar charges	5	(513,578)	(591,940)
Interest payable to members	5	-	(1,282)
Profit for the financial year before members' remuneration and profit shares		15,965,585	2,211,279
Members' remuneration charged as an expense		(121,551)	(138,915)
Profit for the financial year available for division among members		15,844,034	2,072,364

All amounts relate to continuing operations.

The difference between the profit for the financial year available for division among members stated above and its historical cost equivalent is £nil (2016: £3,127,775).

All recognised gains and losses in the current financial year are included in the income statement, and as such no separate statement of comprehensive income has been presented.

The accounting policies and notes on pages 8 to 13 form part of these financial statements

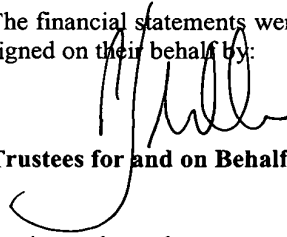
Parabola Edinburgh Park LLP

Statement of financial position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	8	-	10,600,000
Investments	9	-	2
		<u>-</u>	<u>10,600,002</u>
Current assets			
Debtors	10	97,604	64,580
Cash at bank and in hand		52,977	440,353
		<u>150,581</u>	<u>504,933</u>
Creditors: Amounts falling due within one year	11	<u>(132,865)</u>	<u>(140,911)</u>
Net current assets		<u>17,716</u>	<u>364,022</u>
Total assets less current liabilities		<u>17,716</u>	<u>10,964,024</u>
Creditors: Amounts falling due after more than one year	12	-	(10,137,573)
Net assets attributable to members		<u>17,716</u>	<u>826,451</u>
Represented by:			
Members' other interests			
Members' capital		10,000	10,000
Members' surplus		7,716	816,451
Total members' interest		<u>17,716</u>	<u>826,451</u>

The financial statements were approved by the members and authorised for issue on 20 November 2017 and are signed on their behalf by:


Trustees for and on Behalf of the Huddersfield Trust, Property Equity Trust and London and Paris Trust

Designated member

Registered Number: OC389279

The accounting policies and notes on pages 8 to 13 form part of these financial statements

Parabola Edinburgh Park LLP

Statement of changes in members' equity

Year ended 31 March 2017

	Members' capital £	Members' surplus/ (deficit) £	Amounts due to/(from) members £	Total members' interests £
At 1 April 2015	10,000	(1,245,996)	778,463	(457,533)
Capital repaid	-	-	(720,000)	(720,000)
Interest on capital	-	-	1,282	1,282
Interest on capital repaid	-	-	(59,745)	(59,745)
Profit for the financial year	-	2,072,364	138,915	2,211,279
Allocated profits	-	138,915	(138,915)	-
Drawings	-	(148,832)	-	(148,832)
At 31 March 2016	10,000	816,451	-	826,451
Profit for the financial year	-	15,844,034	121,551	15,965,585
Allocated profits	-	121,551	(121,551)	-
Drawings	-	(16,774,320)	-	(16,774,320)
At 31 March 2017	10,000	7,716	-	17,716

Profit attributable to the member with the largest entitlement is £12,556,161 (2016: £1,527,133).

Included in the income statement is £nil (2016: £3,127,775) of profits relating to a net fair value gain on investment property. This fair value gain is not available for distribution to members as it is unrealised.

The accounting policies and notes on pages 8 to 13 form part of these financial statements

Parabola Edinburgh Park LLP

Accounting policies

Year ended 31 March 2017

Statutory Information

Parabola Edinburgh Park LLP is a limited liability partnership domiciled in England and Wales, registration number OC389279. The registered office is Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

Basis of preparation

These financial statements are prepared on the going concern basis, in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 ('FRS 102') and the requirements of Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (SORP) (revised 2014). The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments and fixed assets.

The financial statements are presented in Sterling (£).

Exemptions for qualifying entities under FRS 102

As the LLP is a small entity, the members have taken advantage of the exemption from preparing a cash flow statement afforded to them in FRS 102.

Turnover

Parabola Edinburgh Park LLP operates one class of business, that of an LLP in the United Kingdom. Turnover represents rental income from the letting of property, net of value added tax and is recognised on the accruals basis.

Freehold investment properties

Properties held for investment, including land held for development, are included in fixed assets and stated in the balance sheet at fair value at the balance sheet date. The aggregate surplus or deficit arising on revaluation is recognised in the income statement. 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 or earlier if required for a project specific purpose.

Capital

The capital requirements of the LLP are determined from time to time by the members, following recommendations from management. Oliver James Millican is not obliged to contribute any more than the initial capital subscribed to.

Accrued income

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

Deferred income

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

Parabola Edinburgh Park LLP

Notes to the financial statements

Year ended 31 March 2017

1. Turnover

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

2. Profit on ordinary activities before interest

The profit on ordinary activities before taxation is stated after:

	Year to 31 March 17	Year to 31 March 16
	£	£
Auditors' remuneration – audit fees	4,772	5,998
Auditors' remuneration – for other services	(18,826)	39,826

3. Employees

The LLP is managed by the members. The LLP had no employees in the year (2016: nil).

Employees of Parabola Land Limited help to administer the affairs of Parabola Edinburgh Park LLP and a portion of their salaries were recharged accordingly until the LLP exited the Parabola Consolidated Group on 7 December 2015.

The amounts recharged were:

	Year to 31 March 17	Year to 31 March 16
	£	£
Wages and salaries	-	65,388
Social security costs	-	6,438
Pension costs	-	2,535

4. Interest receivable and similar income

	Year to 31 March 17	Year to 31 March 16
	£	£
Bank interest receivable	948	684
Interest receivable from Members	1,293	-
	<u>2,241</u>	<u>684</u>

5. Interest payable and similar charges

	Year to 31 March 17	Year to 31 March 16
	£	£
Interest payable to related parties	513,578	591,940
Interest payable to members	-	1,282
	<u>513,578</u>	<u>593,222</u>

Parabola Edinburgh Park LLP

Notes to the financial statements (continued)

Year ended 31 March 2017

6. Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP, as the relevant income tax is the responsibility of the individual members.

7. Members' profit share

Profits are shared among the members each year in accordance with the Members Agreement.

	Year to 31 March 17	Year to March 16
	No	No
The average number of members during the year was	2	2.5

8. Investment property

	Land held for development
	£
Fair value	
At 1 April 2016	10,600,000
Additions	552,161
Disposals	(11,152,161)
At 31 March 2017	-
At 31 March 2016	10,600,000

The investment property is valued annually on the basis of fair value. The fair value has been arrived at on the basis of valuations carried out by an independent valuation firm. The valuation basis has been by "Market Value" in accordance with the Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Standards.

The valuation is based upon assumptions including property size, planning risk, ground remediation costs and section 75 education, transport and tram costs.

A revaluation was performed in 2017 and used as the basis of the sales price for the sale of the LLP's remaining investment property to Parabola Edinburgh Limited on 31 March 2017 for £27,802,238.

On a historical cost basis the land held for development would be included at £nil (2016: £7,472,225). The gains from fair value adjustments were £nil (2016: £3,127,775).

Parabola Edinburgh Park LLP

Notes to the financial statements (continued)

Year ended 31 March 2017

9. Investments

	Total
	£
Cost	
At 1 April 2016	2
Disposals	(2)
At 31 March 2017	-
Net book value	
At 31 March 2017	-
At 31 March 2016	2

	2017	2016
	£	£
Investment in Parabola Edinburgh Park Centre Limited	-	1
Investment in Parabola Edinburgh Park Hermiston Limited	-	1

On 30 March 2017, Parabola Edinburgh Park LLP, disposed of its interest in Parabola Edinburgh Park Centre Limited of £1 (2016: £1) via a share sale.

On 30 March 2017, Parabola Edinburgh Park LLP, disposed of its interest in Parabola Edinburgh Park Hermiston Limited of £1 (2016: £1) via a share sale.

10. Debtors

	2017	2016
	£	£
Trade debtors	5,622	14,259
Other debtors	91,982	50,321
	<u>97,604</u>	<u>64,580</u>

11. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	56,682	30,312
Other creditors	2,086	-
Amounts owed to related parties	-	49,524
Amounts owed to the Corinthian Capital Trust – Accrued Interest	1,817	-
Amounts owed to the Dorian Development Trust – Accrued Interest	1,067	-
Accruals and deferred income	71,213	61,075
	<u>132,865</u>	<u>140,911</u>

Parabola Edinburgh Park LLP

Notes to the financial statements (continued)

Year ended 31 March 2017

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

	2017	2016
	£	£
Amounts owed to the Corinthian Capital Trust - Loan	-	5,525,000
Amounts owed to the Corinthian Capital Trust – Accrued Interest	-	861,459
Amounts owed to the Dorian Development Trust – Loan	-	3,250,000
Amounts owed to the Dorian Development Trust – Accrued Interest	-	501,114
	<u>-</u>	<u>10,137,573</u>

13. Related party transactions

Administrative expenses of £nil (2016: £23,160) were recharged to Parabola Land Limited. Administrative expenses of £nil (2016: £21,186) were recharged from Parabola Land Limited. The year end balance owing to Parabola Land Limited was £nil (2016: £4,140).

Wages and salaries costs of £nil (2016: £74,361) were recharged from Parabola Land Limited in relation to administrative staff. The year end balance was £nil (2016: £nil).

Asset Management fees of £47,260 (2016: £nil) were recharged from Parabola Real Estate Investment Management LLP. The year end balance was £47,260 (2016: £nil)

At 31 March 2017 the partnership owed £2,884 (2016: £10,137,573) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £513,578 (2016: £591,763), capital advanced was £nil (2016: £nil), capital repayments were £8,775,000 (2016: £3,000,000) and interest payments were £nil (2016: £nil). On the 30 March 2017 accrued interest payable of £1,873,268 was novated as part of the sale land to Parabola Edinburgh Limited.

At 31 March 2017, the partnership owed £nil (2016: £nil) to P J Millican, a related party of the jointly controlling parties. The interest accrued in the year was £Nil (2016: £176), capital advanced was £nil (2016: £nil), capital repayments were £nil (2016: £1,100,000) and interest payments were £nil (2016: £202,175).

At 31 March 2017, £nil (2016: £nil) was due for additional capital contributed by Parabola Land Limited. The preferred right to profit accrued in the year was £nil (2016: £1,282), additional capital advanced was £nil (2016: £nil), capital repayments were £nil (2016: £720,000) and preferred right to profit payments were £nil (2016: £59,745).

Parabola Edinburgh Park LLP

Notes to the financial statements (continued)

Year ended 31 March 2017

13. Related party transactions (continued)

On 30 March 2017, the Partnership sold land for £25,802,238, its holding of one ordinary share in Parabola Edinburgh Park Centre for £1, and its holding of one ordinary share in Parabola Edinburgh Hermiston Limited for £1 to Parabola Edinburgh Limited.

14. Ultimate controlling parties

The LLP operates under the joint ownership and control of Oliver James Millican and the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust, by virtue of the interests held by them in the LLP.