

Parabola Foundation
(A charitable company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2017

Charity number: 1156008

Company number: 08812870



Parabola Foundation

Report of the Trustees for the year ending 31st March 2017

The Trustees' are pleased to present their report together with the financial statements for the charitable company for the year ended 31 March 2017. The financial statements have been prepared in accordance with the accounting policies set out on page 7 of the financial statements and comply with their Trust Deed, the Charities Act 2011, the Companies Act 2006 and the requirements of Accounting and Reporting by Charities Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK (FRS102).

Reference and administrative details

Charity number	1156008
Company registration number	08812870
Principal office and principal place of business	Broadgate Tower 20 Primrose Street London EC2A 2EW
Trustees	Peter John Millican (Chair) Anne Deborah Millican Deborah Jude (appointed 25 th July 2016)

Directors

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end are listed above.

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Structure, governance and management

Governing Document

Parabola Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 12 December 2013. It is registered as a charity with the Charity Commission.

Organisation Structure

The charity has a minimum of three members. Accounting is performed by Parabola Real Estate Investment Management LLP and is a charitable donation. Each board member agrees to contribute an amount not exceeding £1 in the event of the charitable company winding up.

Parabola Foundation

Report of the Trustees for the year ending 31st March 2017 (continued)

Trustee Recruitment and Training

New Trustees are appointed by Peter John Millican and the existing trustees and are chosen based on skills they have to offer to ensure the development of the charity's activities. Training will be made available to the trustees when it is required.

Related parties

Peter John Millican is a director of Poverty Relief Foundation, Ruwenzori Sculpture Foundation and Kings Place Music Foundation who received donations from the charity during the year.

Objectives and activities

The objects of the charity are to further charitable and cultural projects that will bring benefit to the public. It has been particularly keen to support music and the arts in a way that benefits the community. The charity carefully evaluates all applications for funds based on merit.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing its aims and objectives and in planning its future support.

Achievements and performance

During the period the charity supported Kings Place Music Foundation, Aurora Orchestra, Orchestra of the Age of Enlightenment, Friends of Hawthorn School, Ruwenzori Sculpture Foundation, Hexham book festival, and Poverty Relief Foundation. The charity measures its success by the number of wells built, concerts performed and children attending music in all forms.

Financial Review

Operations in the period resulted in a (deficit)/ surplus of (£763,541) (2016: £535,699) representing the excess of income over expenditure.

Reserves Policy

The Trustees' policy is to hold circa 12 months turnover as reserves. There was a (deficit) / balance at the end of the period of (£187,562) (2016: £575,979). It is considered in the charitable company's best interests to treat all reserves as unrestricted. Parabola Estates Holdings Limited, a related company by virtue of common directors made a donation of £1m to Parabola Foundation in April 2017. The trustees regard this donation to be adequate to support the charitable company's year end deficit and future obligations.

Political donations

During the period the charity made a donation of £50,000 (2016: nil) to the Liberal Democrats.

Going Concern

The Trustees are satisfied that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected levels of income and therefore the going concern basis of accounting is appropriate.

Risk management

The trustees have examined the major strategic business and operational risks that the charity faces to ensure that systems are in place to monitor them. The principal risk that the charity faces is the commercial success of its primary donor the Parabola Group. It is expected that future donations will be received by Parabola Estate Holdings Limited, or other businesses within the wider Parabola group.

Parabola Foundation

Report of the Trustees for the year ending 31st March 2017 (continued)

Plans for Future Periods

The charity aims to continue to support projects that bring benefit to the wider public.

Trustees' Responsibilities

The trustees (who are also directors of Parabola Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

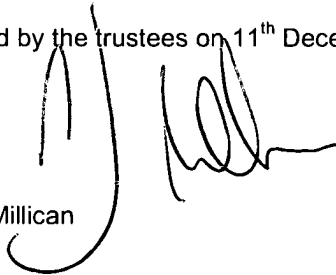
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of the surplus or deficit of the charitable company for the financial year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 11th December 2017 and signed on their behalf by:

Peter J Millican
Trustee



Parabola Foundation

Statement of Financial Activities (incorporating income and expenditure account) for the year ending 31 March 2017

	Note	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Income from:			
Donations and legacies:	1	10,601	1,418,000
Investments	1	483	56
Total income		11,084	1,418,056
Expenditure on:			
Charitable activities:			
Support other charitable objectives to benefit the wider public	2	774,625	882,357
Total expenditure		774,625	882,357
Net (deficit)/ income		(763,541)	535,699
Reconciliation of funds			
Total funds brought forward	6	575,979	40,280
Total (deficit)/ funds carried forward		(187,562)	575,979

All incoming resources and resources expended are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

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

Parabola Foundation

Company Number: 08812870

Balance Sheet at 31 March 2017

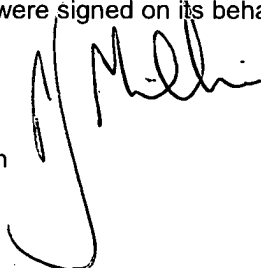
	Note	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Current assets			
Cash at bank		12,438	833,139
		12,438	833,139
Liabilities			
Creditors - amounts falling due within one year	4	60,000	57,160
		60,000	57,160
Net current (liabilities)/ assets			
		(47,562)	775,979
Creditors – amounts falling due in more than one year	5	140,000	200,000
Total assets less liabilities			
		(187,562)	575,979
The funds of the charity			
(Deficit)/ Unrestricted funds	6	(187,562)	575,979
Total charity (deficit)/ funds			
		(187,562)	575,979

The director states:

- For the financial year ended 31 March 2017 the company was entitled to exemption 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 year 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.

The financial statements on pages 4 to 12 were approved by the Board of Trustees on 11th December 2017 and were signed on its behalf by:

P J Millican
Trustee



Parabola Foundation

Statement of Cash Flows for the year ending 31 March 2017

		2017	2016
	Note	£	£
Net Cash (used in)/ Generated from Operating Activities	8	(821,184)	792,353
Cash flows from financing activities:			
Interest received		483	56
Net cash provided by financing activities		483	56
(Decrease)/ Increase in cash and cash equivalents in the year		(820,701)	792,409
Cash and cash equivalents at the start of the year		833,139	40,730
Cash and cash equivalents at the end of the year		12,438	833,139
Relating to:			
Cash at bank		12,438	833,139
Total cash and cash equivalents		12,438	833,139

Parabola Foundation

Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) – Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK (FRS102) and the Companies Act 2006.

Parabola Foundation is a Charitable Company limited by Guarantee, registered in England. The address of the Charity's registered office and principle place of business is Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. The charity meets the definition of public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is also the functional currency of the charitable company.

Monetary amounts in these statements are rounded to the nearest £ except where otherwise indicated.

Going concern

Financial Reporting Standard 102 requires, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the charity is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's ability to continue as going concern. Although the nature of donations is difficult to forecast, the trustees believe there is sufficient support to the charity to enable the charity to continue to meet its liabilities as they fall due. As a result the going concern basis of accounting is appropriate.

Incoming resources

Income is recognised in the period in which the charitable company has entitlement to the funds, any conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations and Legacy Income

Donations and Legacy Income are included in the Statement of Financial Activities when receivable.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Resources expended

Expenditure is all considered as expenditure on charitable activities. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT.

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Accounting policies (continued)

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102, in full to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at bank and in hand

Cash at bank and cash in hand includes cash held at bank and cash in hand.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of all funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under circumstances.

Parabola Foundation

Notes to the financial statements for the year ended 31 March 2017

1. Income

Donations and Legacies

	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Donations	10,601	1,418,000
	10,601	1,418,000

Investment Income

	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Bank interest receivable	483	56
	483	56

2. Expenditure on charitable activities

	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Governance costs	1,590	3,113
Donations	773,035	879,244
	774,625	882,357

Parabola Foundation

Notes to the financial statements for the year ended 31 March 2017 (continued)

2. Expenditure on charitable activities (continued)

Governance costs are made up as follows:

	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Audit fee	-	1,000
Accountancy services	1,050	1,250
Legal and professional fees	540	863
	1,590	3,113

Donations:

	Total Unrestricted Funds Year ended 31 March 2017 £	Total Unrestricted Funds Year ended 31 March 2016 £
Amounts paid to institutions:		
Creative Arts	673,035	822,691
Other	100,000	56,553
	773,035	879,244

	£	£
Institutions:		
Kings Place Music Foundation	599,500	391,000
Aurora Orchestra (a)	-	305,000
Bowes Museum	-	50,000
Poverty Relief Foundation	50,000	56,553
Other	123,535	76,691
	773,035	879,244

(a) Donation to be made over 5 years to January 2020.

3. Staff costs, Trustees' remuneration, benefits and expenses

The company has no employees.

There were no trustees' remuneration or other benefits or expenses paid for the year ending 31 March 2017 (2016: £nil).

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Notes to the financial statements for the year ended 31 March 2017 (continued)

4. Creditors: amounts falling due within one year

	At 31 March 2017 £	At 31 March 2016 £
Accruals and deferred income	-	2,160
Accruals for grants payable	60,000	55,000
	60,000	57,160

5. Creditors: amounts falling due in more than one year

	At 31 March 2017 £	At 31 March 2016 £
Accruals for grants payable:		
Due within 2 - 5 years	140,000	200,000
	140,000	200,000

6. Analysis of charitable funds

	At 31 March 2017 £	At 31 March 2016 £
Unrestricted funds		
As at 1 st April	575,979	40,280
Unrestricted funds movement	(763,541)	535,699
As at 31 st March	(187,562)	575,979

Net movement in funds, included in the above are as follows:

	Incoming Resources £	Resources Expended £	Movement in funds £
Unrestricted funds			
General Fund	11,084	(774,625)	(763,541)
Total funds	11,084	(774,625)	(763,541)

General funds are held in order to further the objects of the charity.

7. Financial instruments

	31 March 2017 £	31 March 2016 £
Carrying amount of financial assets		
Cash	12,438	833,139
Carrying amount of financial liabilities		
Measured at amortised cost	200,000	255,000

Parabola Foundation

Notes to the financial statements for the year ended 31 March 2017 (continued)

8. Reconciliation of net movement in funds to net cash from operating activities

	31 March 2017 £	31 March 2016 £
Net movement in funds	(763,541)	535,699
Deduct interest receivable	(483)	(56)
Increase / (Decrease) in creditors	(57,160)	256,710
Net cash provided by operating activities	(821,184)	792,353

9. Related party transactions

Peter John Millican, chair of the Board of Trustees, is a director of Poverty Relief Foundation, Ruwenzori Sculpture Foundation and Kings Place Music Foundation who received donations from the charity during the year. The charity regards these institutions to be related parties. In addition Peter is a director of Galleries Inc who paid a donation to the charity during the year.

The charity had the following transactions/balances with related parties:

	Parabola Estates Limited		Ruwenzori Sculpture Foundation		Kings Place Music Foundation		Poverty Relief Foundation		Galleries Inc	
	£	£	£	£	£	£	£	£	£	£
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Income – donations	-	1,418,000	-	-	-	-	-	-	10,601	-
Expenditure - donations	-	-	36,000	24,000	599,500	391,000	50,000	56,553	-	-
Debtor balances at year end	-	-	-	-	-	-	-	-	-	-
Creditor balances at year end	-	-	-	-	-	-	-	-	-	-

10. Legal status of charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

11. Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.