

Registered Number 4298209

Parabola Land Limited  
Abbreviated financial statements  
for the year ended 31 March 2006



**Parabola Land Limited**

**Annual report and financial statements  
for the year ended 31 March 2006**

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# Parabola Land Limited

## Independent Auditors' report to the members of Parabola Land Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 8, together with the financial statements of Parabola Land Limited for the year ended 31 March 2006 prepared under section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Section 247B of the Companies Act 1985 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.

### Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

### Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with those provisions.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Leeds

30 October 2006

# Parabola Land Limited

## Balance sheet as at 31 March 2006

|  | Note | 2006<br>£    | 2005<br>£    |
|--|------|--------------|--------------|
| <b>Fixed assets</b>  |      |              |              |
| Tangible assets  | 2    | 37,795,129   | 18,883,815   |
| <b>Current assets</b>  |      |              |              |
| Debtors (including £3,688,805 due after one year (2005: £623,949)) | 3, 6 | 4,628,052    | 780,826      |
| Cash   |      | 475,340      | 180,133      |
|  |      | 5,103,392    | 960,959      |
| <b>Creditors: amounts falling due within one year</b>              | 4    | (6,375,601)  | (11,548,105) |
| <b>Net current liabilities</b>                                     |      | (1,272,209)  | (10,587,146) |
| <b>Total assets less current liabilities</b>                       |      | 36,522,920   | 8,296,669    |
| <b>Creditors: amounts falling due after more than one year</b>     | 5    | (42,444,934) | (9,842,819)  |
| <b>Net liabilities</b>   |      | (5,922,014)  | (1,546,150)  |
| <b>Capital and reserves</b>  |      |              |              |
| Called up equity share capital                                     | 7    | 1,000        | 1,000        |
| Profit and loss account – deficit                                  |      | (5,923,014)  | (1,547,150)  |
| <b>Equity shareholders' deficit</b>                                | 8    | (5,922,014)  | (1,546,150)  |

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

  
P J Millican  
Director

30<sup>th</sup> October 2006

# Parabola Land Limited

## Accounting policies

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

During the period, in accordance with FRS18 'Accounting Policies', the directors have reviewed the accounting policies and consider them to be the most appropriate for the company. This has had no impact on the results for the financial period.

### **Turnover**

Turnover represents sundry income arising following the demolition of the public house previously let in York Way, London, excluding value added tax. Turnover relates entirely to the United Kingdom.

### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost and costs incurred in respect of the redevelopment of the site.

### **Depreciation**

In accordance with SSAP19, no depreciation or amortisation is provided in respect of investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of value between land and buildings.

Other assets contain certain works of art, which in the opinion of the directors have a residual value at least equal to their purchase cost. No depreciation is therefore charged on these assets. The remaining assets are being depreciated over their useful economic life of 5 years, on a straight-line basis.

### **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in different periods from those in which they are included in the financial statements.

# Parabola Land Limited

## Notes to the abbreviated financial statements for the year ended 31 March 2006

### 1 Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised) 1996 as it is a small company.

### 2 Tangible fixed assets

|                               | Freehold investment property under the course of development | Other assets  | Total             |
|-------------------------------|--|---------------|-------------------|
|                               | £  | £             | £                 |
| <b>Cost or valuation</b>      |  |               |                   |
| At 1 April 2005               | 18,800,926   | 88,746        | 18,889,672        |
| Additions                     | 18,913,708   | 575           | 18,914,283        |
| <b>At 31 March 2006</b>       | <b>37,714,634</b>  | <b>89,321</b> | <b>37,803,955</b> |
| <b>Depreciation</b>           |  |               |                   |
| At 1 April 2005               | -  | 5,857         | 5,857             |
| Charge for the financial year | -  | 2,969         | 2,969             |
| <b>At 31 March 2006</b>       | <b>-</b>   | <b>8,826</b>  | <b>8,826</b>      |
| <b>Net book amount</b>        |  |               |                   |
| <b>At 31 March 2006</b>       | <b>37,714,634</b>  | <b>80,495</b> | <b>37,795,129</b> |
| At 1 April 2005               | 18,800,926   | 82,889        | 18,883,815        |

### 3 Debtors

|                                 | 2006             | 2005           |
|---------------------------------|------------------|----------------|
|                                 | £                | £              |
| Trade debtors                   | 33,093           | 676            |
| Prepayments                     | 455,999          | 21,407         |
| Finance arrangement costs       | 1,466,325        | 25,000         |
| Other debtors                   | 3,770            | 8,320          |
| VAT recoverable                 | 266,566          | 101,474        |
| Deferred tax asset (see note 6) | 2,402,299        | 623,949        |
|                                 | <b>4,628,052</b> | <b>780,826</b> |

The finance arrangement costs are being amortised over the following periods from 16 May 2005, with the balances outstanding at 31 March 2006 being £1,344,706 relating to the Eurohypo AG loan being amortised over 10 years, and £121,619 relating to the Costs overrun guarantee, being amortised to 31 December 2009.

## Parabola Land Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

#### 4 Creditors – amounts falling due within one year

|   | 2006             | 2005              |
|---|------------------|-------------------|
|   | £                | £                 |
| Owed to the Corinthian Capital Trust    | -                | 3,367,278         |
| Owed to director                        | 2,394,104        | 7,503,083         |
| Trade creditors                         | 416,116          | 366,232           |
| Amount owed to Parabola Estates Limited | 2,217,620        | -                 |
| Other creditors                         | -                | 3,127             |
| Accruals and deferred income            | 1,347,761        | 308,385           |
|   | <b>6,375,601</b> | <b>11,548,105</b> |

The amount owed to P J Millican, director, includes loans with total principal outstanding at 31 March 2006 of £2,243,247 (2005: £2,920,038). Interest on these loans is accruing at 15% above 3 months LIBOR, and the total amount accrued at 31 March 2006 of £150,857 (2005: £330,232) has been included within these loan balances.

The amount owed to Parabola Estates Limited attracts interest at 15% above 3 months LIBOR, which is capitalised quarterly. There is a principal outstanding at 31 March 2006 of £2,167,773 (2005: £nil), and interest is accrued at 31 March 2006 of £49,847 (2005: £nil).

## Parabola Land Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

#### 5 Creditors – amounts falling due after more than one year

|  | 2006              | 2005             |
|--|-------------------|------------------|
|  | £                 | £                |
| Owed to Eurohypo AG  | 16,205,052        | -                |
| Owed to the Corinthian Capital Trust and the Dorian Development Trust (see note 4) | 8,401,204         | 3,972,352        |
| Owed to director   | 17,366,560        | 5,870,467        |
| Trade creditors  | 472,118           | -                |
|  | <b>42,444,934</b> | <b>9,842,819</b> |

The amount owed to Eurohypo AG represents loans repayable on or after 16 May 2011 with total principal outstanding at 31 March 2006 of £15,875,648 (2005: £Nil). Interest on these loans is accruing at 3.5% above 3 months LIBOR on principal of £4,890,787 and at 1.8% above 3 months LIBOR on principal of £6,925,714 and at 1.8% above 1 month's LIBOR on principal of £4,059,147. These loans are secured by floating charges over the assets of the company and fixed charges over the freehold property and over the share capital of the company. Fees and interest of £329,404 have been accrued at 31 March 2006 (2005: £Nil), and this amount has been included within the loan balance.

The amount owed to the Corinthian Capital Trust and the Dorian Development Trust represents loans, which are repayable on 31 December 2011 with principal outstanding at 31 March 2006 of £6,400,000 (2005: £6,400,000). The loans attract interest at 10% above 3 months LIBOR on the principal and an additional 0.5% on rolled-up interest, and are secured by floating charges over the assets of the company and fixed charges over the freehold property. Interest of £2,001,204 has been accrued at 31 March 2006 (2005: £939,630), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust.

The amount owed to P J Millican, director, represents a loan balance repayable on 31 December 2011 with total principal outstanding at 31 March 2006 of £12,899,857 (2005: £4,840,000). Interest on this loan is accruing at 15% above 3 months LIBOR, and the total amount accrued at 31 March 2006 of £4,466,703 (2005: £1,030,467) has been included in the loan balance. The loan is secured by a floating charge over the assets of the company and a fixed charge over the freehold property.



## Parabola Land Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

#### 6 Provisions for liabilities and charges

##### Deferred taxation

The movement in the deferred taxation asset during the year was as follows:

|                                 | £                |
|---------------------------------|------------------|
| At 1 April 2005                 | 623,949          |
| Profit and loss account credit: |                  |
| - Current year                  | 1,778,350        |
| <b>At 31 March 2006</b>         | <b>2,402,299</b> |

The deferred tax asset comprises:

|  | 2006             | 2005           |
|--|------------------|----------------|
|  | £                | £              |
| The amounts provided for deferred taxation are as follows: |                  |                |
| Accelerated capital allowances                             | (137,804)        | (74,281)       |
| Short term timing differences                              | 2,176,281        | 685,312        |
| Losses   | 363,822          | 12,918         |
|  | <b>2,402,299</b> | <b>623,949</b> |

# Parabola Land Limited

## Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

### 7 Called up equity share capital

|   | 2006    | 2005    |
|---|---------|---------|
|   | £       | £       |
| <b>Authorised</b>                         |         |         |
| 100,000 ordinary shares of £1 each        | 100,000 | 100,000 |
| <b>Allotted, called up and fully paid</b> |         |         |
| 1,000 ordinary shares of £1 each          | 1,000   | 1,000   |

### 8 Reconciliation of movements in equity shareholders' deficit

|                                      | 2006        | 2005        |
|--------------------------------------|-------------|-------------|
|                                      | £           | £           |
| Retained loss for the financial year | (4,375,864) | (820,626)   |
| Opening equity shareholders' funds   | (1,546,150) | (725,524)   |
| Closing equity shareholders' deficit | (5,922,014) | (1,546,150) |

### 9 Ultimate controlling parties

The directors consider that the ultimate controlling parties of the company are the trustees of the Huddersfield Trust, the Property Equity Trust and the London and Paris Trust by virtue of the shares held by them.

### 10 Related party transaction

At 31 March 2006, the company owed £2,271,620 (2005: £ nil) to Parabola Estates Limited, a related party by virtue of common influence.

At 31 March 2006, the company owed £8,401,204 (2005: £7,339,630) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence.

At 31 March 2006, the company owed £19,760,664 (2005: £13,373,550) to P J Millican, director.

During the year ended 31st March 2006 R Rowan, director, received fees of £24,000 (2005: £2,000) for consultancy services.