

Registered Number 4298209

Parabola Land Limited
Abbreviated financial statements for the
year ended 31 March 2010

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Parabola Land Limited
Abbreviated financial statements
for the year ended 31 March 2010

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Parabola Land Limited

Directors' report for the year ended 31 March 2010

The directors present their report, together with the audited financial statements, for the year ended 31 March 2010

Business review and principal activity

The company's principal activity during the financial year was the holding of property for investment purposes

The profit for the financial year was £1,696,436 (2009 loss of £4,219,983) The directors are unable to recommend the payment of a dividend in respect of the financial year (2009 £nil)

Future outlook

The main asset of the company is Kings Place, a building which is fully let on long term leases to a range of tenants in different industry sectors

Principal risks and uncertainties

The principal risks facing property companies are insured risks and tenant insolvency All of the tenants currently appear to be in a healthy financial position

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 9 to the accounts

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

P J Millican, R Rowan and L Bowden served as directors throughout the year and up to the date of signing the financial statements

Statement of directors' responsibilities

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,
- 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

Parabola Land Limited

Directors' report for the year ended 31 March 2010 (continued)

Each of the persons who is a director at the date of this report confirms that

- as 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 the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Charitable donations

The company made charitable donations in the year of £nil (2009 £4,000)

On behalf of the Board



P.J. Millican
Director

4 October 2010

Parabola Land Limited

Independent Auditors' report to the members of Parabola Land Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 1 to 15 together with the financial statements of Parabola Land Limited for the year ended 31 March 2010 prepared under section 396 of the Companies Act 2006

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you. This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 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.

We conducted our work in accordance with Bulletin 2008/4 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 accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Mark Webster (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
4 October 2010

Parabola Land Limited
Profit and loss account for the year ended 31 March 2010

	Note	2010 £	2009 £
Turnover		14,245,529	12,659,438
Administration expenses		(4,484,956)	(6,985,348)
Operating profit	1	9,760,573	5,674,090
Interest receivable and similar income		1,404	140,333
Interest payable and similar charges	2	(10,347,074)	(11,579,095)
Loss on ordinary activities before taxation		(585,097)	(5,764,672)
Tax on profit on ordinary activities	3	2,281,533	1,544,689
Profit/(loss) for the financial year	11	1,696,436	(4,219,983)

All of the company's operations during both financial years shown above represent continuing operations

There is no difference between loss on ordinary activities before taxation and the profit/(loss) for the financial year stated above, and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

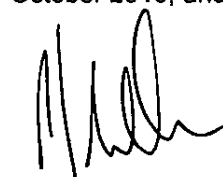
Parabola Land Limited
Balance sheet as at 31 March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	4	181,830,901	181,962,162
Current assets			
Debtors due after more than one year	5	30,260,079	21,276,821
Debtors amounts falling due within one year	6	4,049,813	2,994,901
Cash		1,616,134	2,048,081
		35,926,026	26,319,803
Creditors: amounts falling due within one year	7	(18,943,037)	(12,207,783)
Net current assets		16,982,989	14,112,020
Total assets less current liabilities		198,813,890	196,074,182
Creditors: amounts falling due after more than one year	8	(168,765,485)	(167,722,213)
Net assets		30,048,405	28,351,969
Capital and reserves			
Called up share capital	10	1,000	1,000
Revaluation reserve	11	54,259,662	54,259,662
Profit and loss account	11	(24,212,257)	(25,908,693)
Total shareholders' funds	12	30,048,405	28,351,969

Registered Number 4298209

The abbreviated financial statements have been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006 and the Large and Medium Companies and Groups (Accounts and Directors' Report) Regulations 2008

The abbreviated financial statements on pages 4 to 15 were approved by the board of directors on 4 October 2010, and were signed on its behalf by



P J Millican
 Director

Parabola Land Limited
Cashflow statement for the year ended 31 March 2010

	Note	2010	2009
		£	£
Net cash inflow/(outflow) from operating activities	13	4,430,854	(7,270,237)
Interest received		1,404	140,333
Interest paid		(4,849,378)	(231,671)
Net cash inflow/(outflow) from returns on investments and servicing of finance		(4,847,974)	(91,338)
Purchase of tangible fixed assets		(111,743)	(7,835,609)
Net cash outflow for capital expenditure an financial investment		(111,743)	(7,835,609)
Increase in borrowings		1,156,916	18,460,673
Repayment of borrowings		(1,060,000)	(4,440,000)
Net cash inflow(outflow) from financing		96,916	14,020,673
(Decrease)/increase in cash	14	(431,947)	(1,176,511)

Parabola Land Limited

Statement of accounting policies

Basis of preparation

The abbreviated financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006 and the Large and Medium Companies and Groups (Accounts and Directors' Report) Regulations 2008

Turnover

Turnover represents rental and service charge income from the letting of office space in Kings Place, 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

Investment Properties

Properties held for investment and included in tangible fixed assets are stated in the balance sheet at open market value at the balance sheet date, the aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve. No provision is made for taxation on chargeable gains which would arise if properties were disposed of at their revalued amounts. Investment properties are revalued annually by the directors, with an external independent valuation performed in accordance with the RICS Valuation and Appraisal manual every 5 years

Tangible fixed assets and depreciation

In accordance with SSAP19, no depreciation is provided in respect of investment properties. The requirement of the Companies Act 2006 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 loss for the financial year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of value between land and buildings

Fixtures and fittings are depreciated over their useful economic life of 5 years on a straight-line basis

Other assets contain certain statues and other works of art. No depreciation is charged on these assets which is a departure from the Companies Act 2006, however the directors consider the residual value at least equal to their purchase cost and therefore to depreciate them would not give a true and fair view

Capitalisation of finance costs

Costs directly attributable to the arrangement of bank loans are capitalised and charged to the profit and loss account evenly over the period of the loan

Deferred taxation

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

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

1 Operating profit

	2010	2009
	£	£
The operating profit is stated after charging:		
Amortisation of finance costs	104,800	1,521,972
Depreciation on tangible fixed assets	200,619	114,719
Fees paid for the annual audit	7,500	7,500
Costs recharged from Parabola Estates Limited		
Wages and salaries for two administrative staff	27,203	24,465
Social security costs for two administrative staff	2,845	2,556

Mr P J Millican, director, was the only employee during both financial years

Under his employment contract, Mr Millican is party to a long term incentive scheme under which he is entitled to remuneration accruing from 1 April 2002 depending on the achievement of certain targets. An amount of £2,638,327 (2009 £2,249,467) is accrued in the financial statements and the amount paid in the current year is £nil (2009 £nil)

2 Interest payable and similar charges

	2010	2009
	£	£
Interest payable on loans	7,625,690	7,752,353
Interest payable to a director	2,552,769	3,485,025
Interest payable to Parabola Estates Limited	168,615	341,717
	10,347,074	11,579,095

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

3 Tax on profit on ordinary activities

(a) Taxation on the results for the year

	2010	2009
	£	£
Current tax on the losses for the year	-	-
Deferred tax (note 9)	(2,281,533)	(1,544,689)
Tax credit recognised in the financial year	(2,281,533)	(1,544,689)

(b) Reconciliation of current tax to result for the period

	2010	2009
	£	£
Loss on ordinary activities before taxation	(585,097)	(5,764,672)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(163,827)	(1,614,108)
Effects of		
- expenses not deductible for tax purposes	(6,931)	60,970
- capital allowances in excess of depreciation	(1,211,057)	(1,036,610)
- short term timing differences	1,381,815	2,589,748
Current tax	-	-

(c) Factors that may impact the future tax charge

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance Act (No 2) 2010 is expected to include legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

4 Tangible fixed assets

	Freehold Investment property £	Fixtures and fittings £	Other assets £	Total £
Cost or valuation				
At 1 April 2009	180,958,159	976,408	167,051	182,101,618
Additions	38,963	53,370	19,410	111,743
Disposals	(42,385)	-	-	(42,385)
At 31 March 2010	180,954,737	1,029,778	186,461	182,170,976
Depreciation				
At 1 April 2009	-	139,456	-	139,456
Charge for the year	-	200,619	-	200,619
At 31 March 2010	-	340,075	-	340,075
Net book amount				
At 31 March 2010	180,954,737	689,703	186,461	181,830,901
At 31 March 2009	180,958,159	836,952	167,051	181,962,162

The company's freehold investment property with a historical cost of £126,695,075 was valued by the directors at 31 March 2010 on an open market value basis at £180,954,737

Investment properties are revalued annually by the directors, with an external independent valuation performed in accordance with the RICS Valuation and Appraisal manual every 5 years. The properties were valued by CBRE on 20 June 2008

On a historical cost basis the freehold investment property would be included at

	2010 £	2009 £
Cost and net book value	126,695,075	126,698,537

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

5 Debtors – amounts falling due after more than one year

	2010 £	2009 £
Prepayments	785,209	811,470
Finance arrangement costs (see note 6 below)	432,723	537,523
Accrued income	16,834,880	10,002,094
Deferred tax asset (see note 9)	12,207,267	9,925,734
	30,260,079	21,276,821

6 Debtors – amounts falling due within one year

	2010 £	2009 £
Trade debtors	1,096,171	1,926,501
Prepayments	72,935	105,417
Finance arrangement costs	104,800	104,800
Accrued income	2,775,907	858,183
	4,049,813	2,994,901

The finance arrangement costs relate to the Eurohypo AG loan and are being amortised over 10 years from 18 May 2005

7 Creditors – amounts falling due within one year

	2010 £	2009 £
Owed to director	9,351,279	6,336,754
Trade creditors	929,143	548,586
VAT payable	248,040	20,529
Owed to Parabola Estates Limited	2,673,963	2,845,348
Owed to the Metrovick House Trust	2,376,020	1,514,557
Other creditors	75,048	119,097
Accruals and deferred income	3,289,544	822,912
	18,943,037	12,207,783

Parabola Land Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

The amount owed to director is comprised of two elements both of which are unsecured, the first being loans with total principal outstanding at 31 March 2010 of £6,655,523 (2009 £6,175,226) Interest on these loans is accruing at 6.5% (2009 6.5%) above 3 months LIBOR, and the total amount accrued at 31 March 2010 of £57,428 (2009 £161,528) has been included within these loan balances. The second element of this balance relates to an accrual of £2,638,328 (2009 £2,249,657) shown in creditors – amounts falling due after more than one year, being the amount due under the service contract, the entitlement to which is contingent on the meeting of certain conditions.

The amount owed to Parabola Estates Limited is unsecured and attracts interest at 5% (2009 5%) above 3 months LIBOR, which is capitalised quarterly. There is a principal outstanding at 31 March 2010 of £2,655,599 (2009 £2,821,348), and accrued interest at 31 March 2010 of £18,364 (2009 £24,000).

The amount owed to the Metrovick House Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2010 of £2,360,000 (2009 £1,500,000). The loans attract interest at 3.5% (2009 3.5%) above 3 months LIBOR on £1,500,000 (2009 £1,500,000) of the principal and at 5% above 3 months LIBOR on £860,000 (2009 £nil) of the principal. Interest of £16,020 (2009 £14,557) has been accrued at 31 March 2010 and this amount has been included within the amount owed to the Metrovick House Trust.

8 Creditors – amounts falling due after more than one year

	2010	2009
	£	£
Owed to Eurohypo AG	132,431,838	129,492,063
Owed to the Corinthian Capital Trust and the Dorian Development Trust	7,345,895	7,851,225
Owed to director	28,589,913	28,720,592
Trade creditors	397,839	1,658,333
	168,765,485	167,722,213

The amount owed to Eurohypo AG represents loans repayable in full on the maturity date of 16 May 2015 with total principal outstanding at 31 March 2010 of £130,890,085 (2009 £127,984,879). Interest on these loans is accruing at 1.15% (2009 1.15%) above 3 months' LIBOR. 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 £1,541,753 have been accrued at 31 March 2010 (2009 £1,507,184), and this amount has been included within the loan balance.

An interest swap has been arranged in relation to the Eurohypo AG loans covering the period from start of the construction of the property on 17 May 2005 and expiring after 20 years on 15 April 2025. Under this arrangement the floating interest rates are swapped for a fixed rate of 4.65% until 15 July 2015 and 4.81% thereafter until expiry. The amount of borrowings covered by the swap arrangement increases to a peak of £131,002,964 in January 2011 and reduces in stages to £124,832,442 by 15 April 2025. The fair value of this swap at 31 March 2010 is £10,349,925 (2009 £12,653,379).

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

The amount owed to the Corinthian Capital Trust and the Dorian Development Trust represents loans, repayable on 31 December 2011 with principal outstanding at 31 March 2010 of £2,230,000 (2009 £2,950,000). The loans attract interest at 1.5% (2009 1.5%) above 3 month's 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 £5,115,895 has been accrued at 31 March 2010 (2009 £4,901,225), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust.

The amount owed to director represents a loan balance repayable on 31 December 2011 with total principal outstanding at 31 March 2010 of £18,765,832 (2009 £17,934,897). Interest on this loan is accruing at 6.5% (2009 6.5%) above 3 months' LIBOR, and the total amount accrued at 31 March 2010 of £9,824,081 (2009 £8,536,038) 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.

9 Deferred tax

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

	£
At 1 April 2009	9,925,734
Profit and loss account credit	
- Current year	2,281,533
At 31 March 2010	12,207,267

The deferred tax asset comprises

	2010 £	2009 £
Accelerated capital allowances	(4,420,433)	(3,965,669)
Short term timing differences	7,155,739	5,605,078
Losses	9,471,961	8,286,325
	12,207,267	9,925,734

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

10 Called up share capital

	2010	2009
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

11 Reserves

	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 April 2009	54,259,662	(25,908,693)	28,350,969
Profit for the financial year	-	1,696,436	1,696,436
At 31 March 2010	54,259,662	(24,212,257)	30,047,405

12 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit/(loss) for the financial year	1,696,436	(4,219,983)
Revaluation in year	-	-
Net change in shareholders' funds	1,696,436	(4,219,983)
Opening shareholders' funds	28,351,969	32,571,952
Closing shareholders' funds	30,048,405	28,351,969

13 Cashflow from operating activities

	2010	2009
	£	£
Operating profit	9,760,573	5,674,090
Depreciation charge (including loss on disposal)	243,004	114,719
Decrease/(Increase) in debtors	(7,756,637)	(12,697,655)
(Decrease)/Increase in creditors	2,158,828	(463,210)
Other non cash changes	25,086	101,819
Net cash inflow/(outflow) from operating activities	4,430,854	(7,270,237)

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2010 (continued)

14 Reconciliation in net debt

	As at 1 April 2009	Cash flow	Non cash changes	As at 31 March 2010
	£	£	£	£
Cash in hand and at bank	2,048,081	(431,947)	-	1,616,134
Debt due within one year	(10,696,659)	37,198	(1,103,473)	(11,762,934)
Debt due after more than one year	(163,814,223)	4,690,177	(9,243,600)	(168,367,646)
	(172,462,801)	4,295,428	(10,347,073)	(178,514,446)

15 Transactions with directors

At 31 March 2010, the company owed £37,941,192 (2009 £35,057,346) to P J Millican, director. The interest charged in the year was £2,552,769 (2009 £3,485,024), interest paid was £57,594 (2009 £62,904) and the accrual for amount due under the service contract, the entitlement to which is contingent on the meeting of certain conditions, is £388,860 (2009 £328,323)

During the year ended 31 March 2010 R Rowan, director, received fees of £24,000 (2009 £24,000) for consultancy services. The year end balance was £nil (2009 £nil)