

Parabola Property Limited

**Annual report and consolidated financial statements
for the year ended 31 March 2012**

Registered Number 07635796

MONDAY



A10F7700

A15

24/12/2012

#483

COMPANIES HOUSE

Parabola Property Limited

Annual report and consolidated financial statements for the year ended 31 March 2012

Contents

Directors' report for the year ended 31 March 2012	1
Independent auditor's report to the members of Parabola Property Limited	3
Consolidated profit and loss account for the year ended 31 March 2012	5
Statement of group total recognised gains and losses for the year ended 31 March 2012	5
Consolidated balance sheet as at 31 March 2012	6
Company balance sheet as at 31 March 2012	7
Consolidated cash flow statement for the year ended 31 March 2012	8
Statement of accounting policies	9
Notes to the financial statements for the period ended 31 March 2012	11

Parabola Property Limited

Directors' report for the year ended 31 March 2012

The directors present their report, together with the audited consolidated financial statements, for the period ended 31 March 2012

Business review and principal activities

The parent company was incorporated on 16 May 2011 and acquired 100% of the ordinary share capital of Parabola Land Limited on 27 May 2011 by means of a share for share exchange

The company's principal activity is to act as holding company for companies engaged in property investment and trading Parabola Land Limited's principal activity is the holding of property for investment purposes

The loss for the financial year was £12,149,076 The directors are unable to recommend the payment of a dividend in respect of the financial year

Future outlook

After the year end PLL, the company's property investment subsidiary, sold Kings Place, a building which is fully let on long term leases to a range of tenants in different industry sectors Proceeds retained within PLL will be used for further property investment PLL is actively seeking property investment opportunities likely to yield an attractive rate of return Some of the proceeds from Kings Place have been distributed to PPL and will be used to finance property trading subsidiaries

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 group is interest rate movement In order to mitigate this risk hedging arrangements are in place and further details can be seen in note 10 to the financial statements

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the group

Directors

P J Millican and P Clark served as directors of the parent company throughout the period and up to the date of signing the financial statements

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and parent company 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 group and the company and of the profit or loss of the group 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

Parabola Property Limited

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

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 group made charitable donations in the year of £526,918 (2011 £23,904) to Kings Place Music Foundation

Post Balance Sheet Events

On 17 April 2012, Parabola Land Limited completed the sale of the main asset of the group, Kings Place, for a total consideration of £234,950,000. As part of this sale the debt outstanding to Eurohypo AG was fully repaid. The property was revalued at the balance sheet date to reflect the sales value achieved on 17 April 2012.

On behalf of the Board



P J Millican
Director

18 December 2012

Parabola Property Limited

Independent auditor's report to the members of Parabola Property Limited

We have audited the group and parent company financial statements ("the financial statements") of Parabola Property Limited for the period ended 31 March 2012 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1 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). 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.

Scope of the audit of the financial statements

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 group and parent 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's loss and cash flows 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Parabola Property Limited

Independent auditors' report to the members of Parabola Property Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- the parent company financial statements are not in agreement with the accounting records and returns,
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark Webster

Mark Webster (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

18 December 2012

Parabola Property Limited

Consolidated profit and loss account for the year ended 31 March 2012

	Note	Year to 31 March 2012 £	Year to 31 March 2011 £
Turnover	1	14,235,799	14,227,063
Administration expenses		(6,274,464)	(3,193,588)
Operating profit	2	7,961,335	11,033,475
Interest receivable and similar income		2,286	2,787
Interest payable and similar charges	3	(22,789,482)	(3,956,486)
(Loss)/profit on ordinary activities before taxation		(14,825,861)	7,079,776
Tax on (loss)/profit on ordinary activities	4	2,676,785	(2,838,201)
(Loss)/profit for the financial year	14	(12,149,076)	4,241,575

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

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

Statement of group total recognised gains and losses for the year ended 31 March 2012

	2012 £'000	2011 £'000
(Loss) /profit for the financial year	(12,149,061)	4,241,575
(Deficit) /surplus on revaluation of property	(11,613,665)	44,893,748
Total recognised gains and losses relating to the financial year	(23,762,726)	49,135,323

Parabola Property Limited

Consolidated balance sheet as at 31 March 2012

	Note	2012 £	2011 (restated) £
Fixed assets			
Tangible assets	6	214,512,818	226,632,469
Current assets			
Debtors – amounts falling due within one year	8	2,657,308	3,335,686
Debtors – amounts falling due after more than one year	9	30,208,413	29,047,055
Cash at bank and in hand		3,685,668	3,352,896
		36,551,389	35,735,637
Creditors – amounts falling due within one year	10	(63,474,635)	(48,530,260)
Net current liabilities		(26,923,246)	(12,794,623)
Total assets less current liabilities		187,589,572	213,837,846
Creditors – amounts falling due after more than one year	11	(132,168,585)	(134,654,118)
Net assets		55,420,987	79,183,728
Capital and reserves			
Called up share capital	13	1,000	1,000
Revaluation reserve	14	87,539,745	99,153,410
Profit and loss account	14	(32,119,758)	(19,970,682)
Total shareholders' funds	15	55,420,987	79,183,728

Registered Number 07635796

The balance sheet as at 31 March 2011 has been restated to correct a mis-allocation between current and long term debtors. This reclassification has no impact on the net assets as at 31 March 2011.

The financial statements on pages 5 to 21 were approved by the board of directors on 18 December 2012, and were signed on its behalf by


P J Millican
Director

Parabola Property Limited

Company balance sheet as at 31 March 2012

	Note	31 March 2012 £
Fixed assets		
Tangible assets	6	-
Investments	7	1,000
Current assets		
Debtors – amounts falling due within one year	8	-
Debtors – amounts falling due after more than one year	9	-
Cash at bank and in hand		85
		85
Creditors: amounts falling due within one year	10	(100)
Net current liabilities		(15)
Total assets less current liabilities		985
Creditors – amounts falling due after more than one year	11	-
Net assets		985
Capital and reserves		
Called up share capital	13	1,000
Revaluation reserve	14	-
Profit and loss account	14	(15)
Total shareholders' funds	15	985

Parabola Property Limited

Consolidated cash flow statement for the year ended 31 March 2012

	Note	Year to 31 March 2012 £	Year to 31 March 2011 £
Net cash inflow from operating activities	16	10,800,691	9,479,904
Interest received		2,286	2,787
Interest paid		(7,713,905)	(10,164,535)
Net cash outflow from returns on investments and servicing of finance		(7,711,619)	(10,161,748)
Purchase of tangible fixed assets		(18,058)	(131,669)
Net cash outflow for capital expenditure and financial investment		(18,058)	(131,669)
Increase in borrowings		-	3,620,000
Repayment of borrowings		(2,738,242)	(1,069,725)
Net cash (outflow)/inflow from financing		(2,738,242)	2,550,275
Increase in cash	17	332,772	1,736,762

Parabola Property Limited

Statement of accounting policies

Basis of preparation

The 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 Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Consolidation

The parent company was incorporated on 16 May 2011 and acquired 100% of the ordinary share capital of Parabola Land Limited on 27 May 2011 by means of a share for share exchange. The directors are of the opinion that the new group formed meets the requirements set out in FRS6 for merger accounting to be adopted and therefore the consolidated results of the group have been prepared on this basis, as though the group had always been in existence. The results of the company are shown for the first accounting period alone.

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions are eliminated. The accounting policies of subsidiaries are consistent with Group accounting policies.

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. Other income is recognised in the accounting period in which it is received.

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

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

In accordance with SSAP 19, 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 SSAP 19. 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 SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the loss for the financial period 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.

Parabola Property Limited

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.

Fixed asset investments

Investments in subsidiary companies that are acquired with the intention of holding them for the long term or to maturity are treated as fixed asset investments, and are valued at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Parabola Property Limited

Notes to the financial statements for the period ended 31 March 2012

1 Turnover

Group	Year to 31 March 2012 £	Year to 31 March 2011 £
Rental income	10,765,813	10,816,291
Service charges recoverable	3,233,413	3,218,392
Other income	236,573	192,380
	14,235,799	14,227,063

2 Operating profit

Group	Year to 31 March 2012 £	Year to 31 March 2011 £
The operating profit is stated after charging/(crediting):		
Amortisation of finance costs	104,800	104,800
Depreciation on tangible fixed assets	185,078	199,945
Fees paid for the annual audit	7,500	7,500
Waiver of amounts due under service contract	-	(2,638,327)
Costs recharged from Parabola Estates Limited		
Wages and salaries for administrative staff	38,514	22,369
Social security costs for administrative staff	4,044	2,328

The company's audit fee has been wholly paid by its subsidiary company, Parabola Land Limited

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

Directors' emoluments	2012 £	2011 £
Aggregate emoluments	410,155	-

Total emoluments for the highest paid director were £380,075 (2011 £nil), which was borne by Parabola Land Limited. No recharge has been made.

Parabola Property Limited

3 Interest payable and similar charges

Group	Year to 31 March 2012	Year to 31 March 2011
	£	£
Interest payable on loans	7,989,837	7,945,104
Interest payable to a director	1,380,402	1,309,468
Adjustment relating to compounded interest	-	(5,391,249)
Interest payable to Parabola Estates Limited	243	93,163
Swap break costs	13,419,000	-
	22,789,482	3,956,486

Interest of £5,391,249 had been accrued in error in prior years. This was released to the profit and loss account in the year ended 31 March 2011.

4 Tax on (loss)/profit on ordinary activities

(a) Taxation on the results for the year

Group	Year to 31 March 2012	Year to 31 March 2011
	£	£
Current tax on the (loss)/profit for the year	-	-
Deferred tax		
- Origination and reversal of timing differences	(3,680,926)	1,965,988
- Adjustment in respect of previous periods	(720,353)	-
- Effect of changes in tax rates	1,724,494	872,213
Total deferred tax (note 11)	(2,676,785)	2,838,201
Tax on loss/(profit) on ordinary activities	(2,676,785)	2,838,201

Parabola Property Limited

4 Tax on (loss)/profit on ordinary activities (continued)

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

The tax assessed for the year is higher (2011 lower) than the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are explained below

Group	Year to 31 March 2012 £	Year to 31 March 2011 £
(Loss)/profit on ordinary activities before taxation	(14,825,846)	7,079,776
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	(3,854,720)	1,982,337
Effects of		
- expenses not deductible for tax purposes	6,116,988	138,874
- income not deductible for tax purposes	(5,957,113)	-
- capital allowances in excess of depreciation	(709,181)	(960,005)
- short term timing differences	302,179	(1,161,206)
- utilisation of tax losses	4,101,847	-
Current tax charge for the year	-	-

(c) Factors that may impact the future tax charge

The main rate of UK corporation tax for the year beginning 1 April 2011 was reduced from 28% to 26% in the Finance Bill 2011 A reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012 The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 The impact of the expected rate change on the deferred tax asset is approximately £500,000 This will reduce the company's future current tax charge accordingly

5 Result of holding company

As permitted by section 408 of the Companies Act 2006, the parent company's profit and loss account has not been presented in these financial statements Of the profit attributable to shareholders for the first accounting period, a loss of £15 is recorded in the financial statements of the company

Parabola Property Limited

6 Tangible assets

Group	Held for sale Freehold Investment property £	Fixtures and fittings £	Other assets £	Total £
Cost or valuation				
At 1 April 2011	225,900,000	1,071,169	186,461	227,157,630
Additions	-	18,058	-	18,058
Reclassifications	-	(31,606)	31,606	-
Disposals	-	(703,654)	(35,275)	(738,929)
Revaluations	(11,613,665)	-	(70,400)	(11,684,065)
At 31 March 2012	214,286,335	353,967	112,392	214,752,694
Accumulated Depreciation				
At 1 April 2011	-	525,161	-	525,161
Charge for the year	-	185,078	-	185,078
Disposals	-	(470,363)	-	(470,363)
At 31 March 2012	-	239,876	-	239,876
Net book amount				
At 31 March 2012	214,286,335	114,091	112,392	214,512,818
At 31 March 2011	225,900,000	546,008	186,461	226,632,469

The group's freehold investment property with a historical cost of £126,746,590 was valued by the directors at 31 March 2012 on an open market value basis at £225,900,000, based on an external independent valuation. As at 31 March 2012 this property is held for sale.

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.

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

	2012 £	2011 £
Cost and net book value	126,746,590	126,746,590

Other assets were valued by directors at 31 March 2012 on an open market basis, the resulting revaluation adjustments have been taken to the consolidated profit and loss account.

The company had no tangible fixed assets during the period.

Parabola Property Limited

7 Fixed asset investments

	2012
	£
At 1 April 2011	-
Shares acquired	1,000
At 31 March 2012	1,000

The directors believe that the carrying value of the investments is supported by their underlying net assets

The entities where common ordinary shares were held at 31 March 2012 were as follows

Name	Percentage ownership	Country of incorporation
Parabola Land Limited	100	United Kingdom

Principal activities

Parabola Land Limited holds property for investment purposes

8 Debtors – amounts falling due within one year

	Group 2012 £	Group 2011 (restated) £	Company 2012 £
Trade debtors	197,837	987,705	-
Finance arrangement costs	104,800	104,800	-
Other debtors	912,844	804,442	-
Prepayments	90,224	87,136	-
Accrued income	1,351,603	1,351,603	-
	2,657,308	3,335,686	-

Balances have been restated to correct a mis-allocation between current and long term debtors. This reclassification has no impact on the net assets as at 31 March 2011

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

Parabola Property Limited

9 Debtors – amounts falling due after more than one year

	Group 2012 £	Group 2011 (restated) £	Company 2012 £
Finance arrangement costs (see note 9 below)	223,123	327,923	-
Deferred tax asset (see note 12)	12,045,851	9,369,066	-
Prepayments	634,245	693,269	-
Accrued income	17,305,194	18,656,797	-
	30,208,413	29,047,055	-

Balances have been restated to correct a mis-allocation between current and long term debtors. This reclassification has no impact on the net assets as at 31 March 2011

10 Creditors – amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £
Trade creditors	500,009	40,965	-
Amounts owed to group undertakings	-	-	100
Owed to director	33,061,487	32,146,085	-
Owed to Parabola Estates Limited	-	132,126	-
Owed to the Metrovick House Trust	2,317,350	2,376,546	-
Owed to the Dorian Development Trust	2,285,161	2,774,306	-
Owed to the Corinthian Capital Trust and the Dorian Development Trust	6,689,600	6,509,148	-
VAT payable	548,069	662,808	-
Other creditors	562,054	74,974	-
Accruals and deferred income	17,510,905	3,813,302	-
	63,474,635	48,530,260	100

The amount owed to the director is secured by a floating charge over the assets of the Parabola Land Limited and a fixed charge over the freehold property with principal outstanding at 31 March 2012 of £18,272,038 (2011 £18,672,038). Interest on the loan is accruing at 6.5% (2011 6.5%) above 3 months LIBOR, and the total amount accrued at 31 March 2012 of £14,789,449 (2011 £13,474,047) has been included within the loan balance.

The amount owed to Parabola Estates Limited is unsecured and attracts interest at 5% (2011 5%) above 3 months LIBOR, which is capitalised quarterly. There is a principal outstanding at 31 March 2012 of £nil (2011 £127,140), and accrued interest at 31 March 2012 of £nil (2011 £4,986).

Parabola Property Limited

The amount owed to the Metrovick House Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2012 of £2,300,000 (2011 £2,360,000) The loans attract interest at 3.5% (2011 3.5%) above 3 months LIBOR on £1,500,000 (2011 £1,500,000) of the principal and at 5% above 3 months LIBOR on £800,000 (2011 £860,000) of the principal Interest of £17,350 (2011. £16,546) has been accrued at 31 March 2012 and this amount has been included within the amount owed to the Metrovick House Trust

The amount owed to the Dorian Development Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2012 of £2,018,862 (2011 £2,650,000) The loans attract interest at 5% above 3 months LIBOR Interest of £266,299 (2011 £124,306) has been accrued at 31 March 2012 and this amount has been included within the amount owed to the Dorian Development Trust

The amount owed to the Corinthian Capital Trust and the Dorian Development Trust represents loans, repayable on demand after 31 December 2012 with principal outstanding at 31 March 2012 of £2,230,000 (2011 £2,230,000) The loans attract interest at 1.5% (2011 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 Parabola Land Limited and fixed charges over the freehold property Interest of £4,459,600 has been accrued at 31 March 2012 (2011 £4,279,148), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust

11 Creditors – amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £
Owed to Eurohypo AG	131,037,544	132,534,595	-
Owed to director	1,131,041	1,607,465	-
Trade creditors	-	512,058	-
	132,168,585	134,654,118	-

The amount owed to Eurohypo AG represents loans repayable in full on the maturity date of the 16 May 2015 with total principal outstanding at 31 March 2012 of £129,477,011 (2011 £130,996,974) Interest on these loans is accruing at 1.15% (2011 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 £1,560,533 have been accrued at 31 March 2012 (2011 £1,537,621), 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 reached 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 2012 is £31,549,181 (2011 £12,917,936) As at 31 March 2012 the company had entered in to a binding agreement with Eurohypo whereby the part of the interest rate swap scheduled to be in place until 14 April 2015 would be terminated on the 17 April 2012 The £13,419,000 cost of this termination has been included within the results to 31 March 2012

The amount owed to director relates to an accrual of £1,131,041 (2011 £1,607,465), being the amount due under the bonus contract, the entitlement to payment is contingent on the meeting of certain conditions

Parabola Property Limited

12 Deferred tax

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

Group	£
At 1 April 2011	9,369,066
Profit and loss account charge	
- Current period	1,956,432
- Adjustment in respect of prior years	720,353
At 31 March 2012	12,045,851

The deferred tax asset comprises

Group	2012	2011
	£	£
Accelerated capital allowances	(5,255,902)	(5,003,506)
Short term timing differences	4,946,449	5,315,327
Losses	12,355,304	9,057,245
	12,045,851	9,369,066

13 Called up share capital

	Group	Group	Company
	2012	2011	2012
	£	£	£
Authorised			
1,000 ordinary shares of £1 each	1,000	1,000	1,000
Allotted and fully paid			
1,000 ordinary shares of £1 each	1,000	1,000	1,000

Parabola Property Limited

14 Reserves

Group	Revaluation reserve £	Profit and loss account £
At 1 April 2011	99,153,410	(19,970,682)
Loss for the financial year	-	(12,149,076)
Revaluation in year	(11,613,665)	-
At 31 March 2012	87,539,745	(32,119,758)

Company	Profit and loss account £
At 16 May 2011	-
Loss for the financial period	(15)
Revaluation in period	-
At 31 March 2012	(15)

15 Reconciliation of movements in shareholders' funds

	Group 2012 £	Group 2011 £	Company 2012 £
(Loss)/profit for the financial period	(12,149,076)	4,241,575	(15)
Share Capital issued	-	-	1,000
Revaluation in year	(11,613,665)	44,893,748	-
Net change in shareholders' funds	(23,762,741)	49,135,323	985
Opening shareholders' funds	79,183,728	30,048,405	-
Closing shareholders' funds	55,420,987	79,183,728	985

Parabola Property Limited

16 Cash flow from operating activities

Group	Year to 31 March 2012 £	Year to 31 March 2011 £
Operating profit	7,961,335	11,033,475
Depreciation charge (including loss on disposal)	524,044	223,849
Decrease/(increase) in debtors	2,193,806	(911,050)
Increase/(decrease) in creditors	121,506	(866,370)
Other non cash changes	-	-
Net cash inflow from operating activities	10,800,691	9,479,904

17 Reconciliation in net debt

Group	As at 1 April 2011 £	Cash flow £	Non cash changes £	As at 31 March 2012 £
Cash in hand and at bank	3,352,896	332,772	-	3,685,668
Debt due within one year	(43,938,212)	1,404,076	(1,819,462)	(44,353,598)
Debt due after more than one year	(132,534,595)	1,519,963	(22,912)	(131,037,544)
	(173,119,911)	3,256,811	(1,842,374)	(171,705,474)

18 Related party transactions

At 31 March 2012, the group owed £nil (2011 £132,126) to Parabola Estates Limited, a related party by virtue of common influence. The interest accrued in the year was £243 (2011 £93,163) and repayments were £132,369 (2011 £2,635,000).

At 31 March 2012, the group owed £8,974,761 (2011 £9,283,454) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £322,445 (2011 £287,559), capital advanced was £nil (2011 £2,650,000), capital repayments were £631,138 (2011 £nil) and interest payments were £nil (2011 £1,000,000).

At 31 March 2012, the group owed £2,317,350 (2011 £2,376,546) to the Metrovick House Trust, a related party by virtue of common influence. The interest accrued in the year was £116,373 (2011 £112,610), interest paid in the year was £115,569 (2011 £112,084) and capital repayments were £60,000 (2011 £nil).

At 31 March 2012, the group owed £33,061,487 (2011 £32,146,085) to P J Millican, director. The interest accrued in the year was £1,380,402 (2011 £1,309,468), interest paid was £65,000 (2011 £nil), draw downs were £100,000 (2011 £925,000) and capital repayments were £500,000 (2011 £nil).

The accrual for amounts due under the director's service contract is £1,131,041 (2011 £1,607,465). Wages and salaries costs of £38,514 (2011 £22,369) and social security costs of £4,044 (2011 £2,328) were recharged from Parabola Estates Limited in relation to administrative staff. The year end balance was £nil (2011 £nil).

Parabola Property Limited

19 Post Balance Sheet Events

On 17 April 2012, Parabola Land Limited completed the sale of the main asset of the group, Kings Place, for a total consideration of £234,950,000. As part of this sale the debt outstanding to Eurohypo AG was fully repaid. The property was revalued at the balance sheet date to reflect the sales value achieved on 17 April 2012.

20 Ultimate controlling parties

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