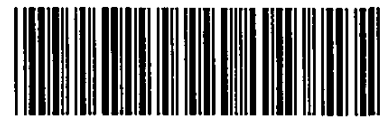


Registered Number 4298209

Parabola Land Limited
Abbreviated financial statements for the
year ended 31 March 2011

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Parabola Land Limited
Abbreviated financial statements
for the year ended 31 March 2011

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Parabola Land Limited

Directors' report for the year ended 31 March 2011

The directors present their report, together with the audited financial statements, for the year ended 31 March 2011

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 £4,241,575 (2010 profit of £1,696,436) The directors are unable to recommend the payment of a dividend in respect of the financial year (2010 £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 2011

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

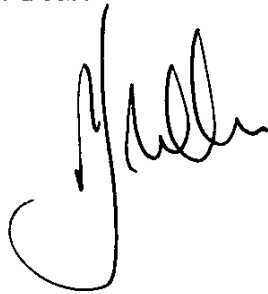
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Charitable donations

The company made charitable donations in the year of £23,904 (2010 £nil)

On behalf of the Board

P J Millican
Director

A handwritten signature in black ink, appearing to read 'P J Millican', written over a faint horizontal line.

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 2011 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

13 September 2011

Parabola Land Limited
Profit and loss account for the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover		14,227,063	14,245,529
Administration expenses		(3,193,588)	(4,484,956)
Operating profit	1	11,033,475	9,760,573
Interest receivable and similar income		2,787	1,404
Interest payable and similar charges	2	(3,956,486)	(10,347,074)
Profit/(loss) on ordinary activities before taxation		7,079,776	(585,097)
Tax on profit/(loss) on ordinary activities	3	(2,838,201)	2,281,533
Profit/(loss) for the financial year	11	4,241,575	1,696,436

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

There is no difference between profit on ordinary activities before taxation and the profit 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 2011

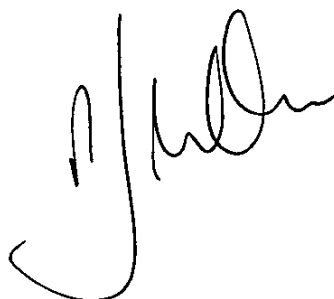
	Note	2011 £	2010 £
Fixed assets			
Tangible assets	4	226,632,469	181,830,901
Current assets			
Debtors due after more than one year	5	30,398,658	30,260,079
Debtors amounts falling due within one year	6	1,984,083	4,049,813
Cash		3,352,896	1,616,134
		35,735,637	35,926,026
Creditors: amounts falling due within one year	7	(48,530,260)	(18,943,037)
Net current (liabilities)/assets		(12,794,623)	16,982,989
Total assets less current liabilities		213,837,846	198,813,890
Creditors: amounts falling due after more than one year	8	(134,654,118)	(168,765,485)
Net assets		79,183,728	30,048,405
Capital and reserves			
Called up share capital	10	1,000	1,000
Revaluation reserve	11	99,153,410	54,259,662
Profit and loss account	11	(19,970,682)	(24,212,257)
Total shareholders' funds	12	79,183,728	30,048,405

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 financial statements on pages 4 to 15 were approved by the board of directors on 13 September 2011, and were signed on its behalf by

P J Millican
Director



Parabola Land Limited
Cashflow statement for the year ended 31 March 2011

	Note	2011	2010
		£	£
Net cash inflow from operating activities	13	9,479,904	4,430,854
Interest received		2,788	1,404
Interest paid		(10,164,536)	(4,849,378)
Net cash inflow/(outflow) from returns on investments and servicing of finance		(10,161,748)	(4,847,974)
Purchase of tangible fixed assets		(131,669)	(111,743)
Net cash outflow for capital expenditure and financial investment		(131,669)	(111,743)
Increase in borrowings		3,620,000	1,156,916
Repayment of borrowings		(1,069,725)	(1,060,000)
Net cash inflow from financing		2,550,275	96,916
Increase/(decrease) in cash	14	1,736,762	(431,947)

Parabola Land 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.

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
2011

1 Operating profit

	2011	2010
	£	£
The operating profit is stated after charging/(crediting):		
Amortisation of finance costs	104,800	104,800
Depreciation on tangible fixed assets	199,945	200,619
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 three administrative staff	22,369	27,203
Social security costs for three administrative staff	2,328	2,845

Mr P J Millican, director, was the only employee during both financial years. During the year PJ Millican waived his service contract fee for all periods up to and including 31 March 2011

2 Interest payable and similar charges

	2011	2010
	£	£
Interest payable on loans	7,945,104	7,625,690
Interest payable to a director	1,309,468	2,552,769
Adjustment relating to compounded interest	(5,391,249)	-
Interest payable to Parabola Estates Limited	93,163	168,615
	3,956,486	10,347,074

Interest of £5,391,249, which had been accrued in error in prior years, was released to the profit and loss account in the current year

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2011 (continued)

3 Tax on profit/(loss) on ordinary activities

(a) Taxation on the results for the year

	2011	2010
	£	£
Current tax on the losses for the year	-	-
Deferred tax (note 10)	2,838,201	(2,281,533)
Tax Debit/(credit) recognised in the financial year	2,838,201	(2,281,533)

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

	2011	2010
	£	£
Profit / (loss) on ordinary activities before taxation	7,079,776	(585,097)
Profit / (Loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 28% (2010 28%)	1,982,337	(163,827)
Effects of		
- expenses not deductible for tax purposes	138,874	(6,931)
- capital allowances in excess of depreciation	(960,005)	(1,211,057)
- short term timing differences	(1,161,206)	1,381,815
Current tax	-	-

(c) Factors that may impact the future tax charge

The standard rate of Corporation Tax in the UK changed from 28% to 26% with effect from 1 April 2011

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2011 (continued)

4 Tangible fixed assets

	Freehold Investment property £	Fixtures and fittings £	Other assets £	Total £
Cost or valuation				
At 1 April 2010	180,954,737	1,029,778	186,461	182,170,976
Additions	51,515	80,154	-	131,669
Disposals	-	(38,763)	-	(38,763)
Revaluations	44,893,748	-	-	44,893,748
At 31 March 2011	225,900,000	1,071,169	186,461	227,157,630
Depreciation				
At 1 April 2010	-	340,075	-	340,075
Charge for the year	-	199,939	-	199,939
Disposals	-	(14,853)	-	(14,853)
At 31 March 2011	-	525,161	-	525,161
Net book amount				
At 31 March 2011	225,900,000	546,008	186,461	226,632,469
At 31 March 2010	180,954,737	689,703	186,461	181,830,901

The company's freehold investment property with a historical cost of £126,746,590 was valued by the directors at 31 March 2011 on an open market value basis at £225,900,000, based on an external independent valuation

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 DTZ on 31 July 2011

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

	2011 £	2010 £
Cost and net book value	126,746,590	126,695,075

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2011 (continued)

5 Debtors – amounts falling due after more than one year

	2011 £	2010 £
Prepayments	693,269	785,209
Finance arrangement costs (see note 6 below)	327,923	432,723
Accrued income	20,008,400	16,834,880
Deferred tax asset (see note 9)	9,369,066	12,207,267
	30,398,658	30,260,079

6 Debtors – amounts falling due within one year

	2011 £	2010 £
Trade debtors	987,705	1,096,171
Prepayments	87,136	72,935
Finance arrangement costs	104,800	104,800
Other debtors	804,442	2,775,907
	1,984,083	4,049,813

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

	2011 £	2010 £
Owed to director	32,146,085	9,351,279
Trade creditors	40,965	929,143
VAT payable	662,808	248,040
Owed to Parabola Estates Limited	132,126	2,673,963
Owed to the Metrovick House Trust	2,376,546	2,376,020
Owed to the Dorian Development Trust	2,774,306	-
Owed to the Corinthian Capital Trust and the Dorian Development Trust	6,509,148	-
Other creditors	74,974	75,048
Accruals and deferred income	3,813,302	3,289,544
	48,530,260	18,943,037

Parabola Land Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

The amount owed to the director is secured by a floating charge over the assets of the company and a fixed charge over the freehold property with principal outstanding at 31 March 2011 of £18,672,038 (2010 £17,747,038) Interest on the loan is accruing at 6.5% (2010 6.5%) above 3 months LIBOR, and the total amount accrued at 31 March 2011 of £13,474,047 (2010 £17,555,828) has been included within the loan balance

The amount owed to Parabola Estates Limited is secured and attracts interest at 5% (2010 5%) above 3 months LIBOR, which is capitalised quarterly There is a principal outstanding at 31 March 2011 of £127,140 (2010 £2,655,599), and accrued interest at 31 March 2011 of £4,986 (2010 £18,364)

The amount owed to the Metrovick House Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2011 of £2,360,000 (2010 £2,360,000) The loans attract interest at 3.5% (2009 3.5%) above 3 months LIBOR on £1,500,000 (2010 £1,500,000) of the principal and at 5% above 3 months LIBOR on £860,000 (2010 £860,000) of the principal Interest of £16,546 (2010 £16,020) has been accrued at 31 March 2011 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 2011 of £2,650,000 (2010 £nil) The loans attract interest at 5% above 3 months LIBOR Interest of £124,306 (2010 £nil) has been accrued at 31 March 2011 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 31 December 2011 with principal outstanding at 31 March 2011 of £2,230,000 (2010 £2,230,000) The loans attract interest at 1.5% (2010 1.5%) 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 £4,279,148 has been accrued at 31 March 2011 (2010 £5,115,895), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust

8 Creditors – amounts falling due after more than one year

	2011	2010
	£	£
Owed to Eurohypo AG	132,534,595	132,431,838
Owed to the Corinthian Capital Trust and the Dorian Development Trust	-	7,345,895
Owed to director	1,607,465	28,589,913
Trade creditors	512,058	397,839
	134,654,118	168,765,485

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 2011 of £130,996,974 (2010 £130,890,085) Interest on these loans is accruing at 1.5% (2010 1.5%) 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 £1,537,621 have been accrued at 31 March 2011 (2010 £1,541,753), and this amount has been included within the loan balance

Parabola Land Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

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 positive fair value of this swap at 31 March 2011 is £12,917,936 (2010: £10,349,925).

The amount owed to director relates to an accrual of £1,607,465 (2010: nil), being the amount due under the bonus contract, the entitlement to payment is contingent on the meeting of certain conditions.

9 Deferred tax

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

	£
At 1 April 2010	12,207,267
Profit and loss account charge	
- Current year	(2,838,201)
At 31 March 2011	9,369,066

The deferred tax asset comprises:

	2011 £	2010 £
Accelerated capital allowances	(5,003,506)	(4,420,433)
Short term timing differences	5,315,327	7,155,739
Losses	9,057,245	9,471,961
	9,369,066	12,207,267

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2011 (continued)

10 Called up share capital

	2011	2010
	£	£
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 2010	54,259,662	(24,212,257)	30,047,405
Profit for the financial year	-	4,241,575	4,241,575
Revaluation in year	44,893,748	-	44,893,748
At 31 March 2011	99,153,410	(19,970,682)	79,182,728

12 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	4,241,575	1,696,436
Revaluation in year	44,893,748	-
Net change in shareholders' funds	49,135,323	1,696,436
Opening shareholders' funds	30,048,405	28,351,969
Closing shareholders' funds	79,183,728	30,048,405

Parabola Land Limited
Notes to the financial statements for the year ended 31 March
2011 (continued)

13 Cashflow from operating activities

	2011	2010
	£	£
Operating profit	11,033,475	9,760,573
Depreciation charge (including loss on disposal)	223,849	243,004
Increase in debtors	(911,050)	(7,756,637)
(Decrease)/Increase in creditors	(866,370)	2,158,828
Other non cash changes	-	25,086
Net cash inflow from operating activities	9,479,904	4,430,854

14 Reconciliation in net debt

	As at 1 April 2010	Cash flow	Non cash changes	As at 31 March 2011
	£	£	£	£
Cash in hand and at bank	1,616,134	1,736,762	-	3,352,896
Debt due within one year	(11,762,934)	(827,918)	(31,347,360)	(43,938,212)
Debt due after more than one year	(168,367,646)	8,483,277	27,349,774	(132,534,595)
	(178,514,446)	9,392,121	(3,997,586)	(175,119,911)

15 Transactions with directors

At 31 March 2011, the company owed £32,146,085 (2010 £37,941,192) to P J Millican, director. The interest charged in the year was £1,309,468 (2010 £2,552,769), interest paid was £nil (2010 £57,594) and draw downs were £925,000 (2010 nil)

The accrual for amounts due under the director's service contract is £1,607,465 (2010 £388,860)

During the year ended 31 March 2011 R Rowan, director, received fees of £24,000 (2010 £24,000) for consultancy services. The year end balance was £nil (2009 £nil)