

**Parabola Property Limited**

**Annual report and consolidated financial statements  
for the year ended 31 March 2013**

**Registered Number 07635796**

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**Parabola Property Limited**  
**Annual report and consolidated financial statements**  
**for the year ended 31 March 2013**  
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# Parabola Property Limited

## Directors' report for the year ended 31 March 2013

The directors present their report, together with the audited consolidated financial statements, for the year ended 31 March 2013

### Business review and principal activities

The company's principal activity is to act as holding company for companies engaged in property investment and trading. In April 2012 the company's 100% owned subsidiary Parabola Land Limited sold Kings Place which it had constructed and had been completed since October 2008

In May 2013 the company acquired an 80% interest in the newly incorporated Parabola Capital LLP. In October 2012 the company acquired an 80% interest in the newly incorporated Parabola Industrial Estates Limited

During the year the group began to acquire industrial commercial property

The profit for the financial year was £46,396,103 (2012 loss of £12,149,076). The directors have proposed and paid a dividend in respect of the financial year of £40,000 (2012 nil)

### Future outlook

The company is actively seeking property opportunities likely to yield an attractive rate of return

### 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 directors monitor interest and market risk on an ongoing basis but see no clouds on the horizon at present

### 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 year 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 and the group 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.

### **Statement of disclosure of information to auditors**

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

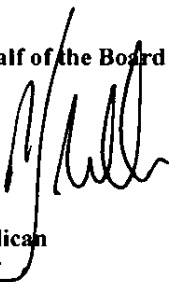
- as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's 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 £80,000 (2012 £526,918) to Kings Place Music Foundation in furtherance of its' charitable objects.

On behalf of the Board



**P. J. Millican**  
Director

23 December 2013

# **Parabola Property Limited**

## **Independent auditors' 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 year ended 31 March 2013 which comprise the consolidated profit and loss account, the statement of group total recognised gains and losses, 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 pages 1 and 2 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's 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 2013 and of the group's profit 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 year 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
- 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

*23 December 2013*

## Parabola Property Limited

### Consolidated profit and loss account for the year ended 31 March 2013

	Note	Year to 31 March 2013 £	Year to 31 March 2012 £
Turnover	1	1,036,476	14,235,799
Administrative expenses		(1,203,599)	(6,274,464)
<b>Operating profit / (loss)</b>	2	<b>(167,123)</b>	<b>7,961,335</b>
Interest receivable and similar income		290,739	2,286
Interest payable and similar charges	3	(1,405,700)	(22,789,482)
Profit on disposal of investment property		59,726,065	-
<b>Profit / (Loss) on ordinary activities before taxation</b>		<b>58,443,981</b>	<b>(14,825,861)</b>
Tax on profit / (loss) on ordinary activities	4	(12,045,850)	2,676,785
<b>Profit / (Loss) on ordinary activities after taxation</b>		<b>46,398,131</b>	<b>(12,149,076)</b>
Minority Interests		(2,028)	-
<b>Profit / (Loss) for the financial year</b>	15	<b>46,396,103</b>	<b>(12,149,076)</b>

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

There is no difference between the profit / (loss) on ordinary activities before taxation and the profit / (loss) 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 2013

	2013 £	2012 £
Profit / (Loss) for the financial year	46,396,103	(12,149,076)
Deficit on revaluation of property	(87,539,745)	(11,613,665)
<b>Total recognised gains and losses relating to the financial year</b>	<b>(41,143,642)</b>	<b>(23,762,741)</b>

# Parabola Property Limited

## Consolidated balance sheet as at 31 March 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	7	3,376,047	214,512,818
<b>Current assets</b>			
Stock		3,652,277	-
Debtors – amounts falling due within one year	9	527,420	2,657,308
Debtors – amounts falling due after more than one year	10	869,263	30,208,413
Cash at bank and in hand		27,319,675	3,685,668
		<b>32,368,635</b>	<b>36,551,389</b>
Creditors – amounts falling due within one year	11	(21,463,322)	(63,474,635)
<b>Net current assets / (liabilities)</b>		<b>10,905,313</b>	<b>(26,923,246)</b>
<b>Total assets less current liabilities</b>		<b>14,281,360</b>	<b>187,589,572</b>
Creditors – amounts falling due after more than one year	12	-	(132,168,585)
<b>Net assets</b>		<b>14,281,360</b>	<b>55,420,987</b>
<b>Capital and reserves</b>			
Called up share capital	14	1,000	1,000
Revaluation reserve	15	-	87,539,745
Profit and loss account	15	14,236,345	(32,119,758)
<b>Total shareholders' funds</b>		<b>14,237,345</b>	<b>55,420,987</b>
Minority Interest		44,015	-
<b>Capital employed</b>	16	<b>14,281,360</b>	<b>55,420,987</b>

Registered Number 07635796

The financial statements on pages 5 to 22 were approved by the board of directors on 23 December 2013, and were signed on its behalf by

  
P J Milligan  
Director



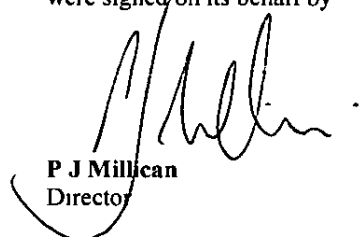
# Parabola Property Limited

## Company balance sheet as at 31 March 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	7	1,589,354	-
Investments	8	9,000	1,000
		1,598,354	1,000
<b>Current assets</b>			
Debtors – amounts falling due within one year	9	3,780,052	-
Cash at bank and in hand		70,313	85
		3,850,365	85
<b>Creditors: amounts falling due within one year</b>	11	(238,145)	(100)
<b>Net current assets / (liabilities)</b>		3,612,220	(15)
<b>Net assets</b>		5,210,574	985
<b>Capital and reserves</b>			
Called up share capital	14	1,000	1,000
Profit and loss account	15	5,209,574	(15)
<b>Total shareholders' funds</b>		5,210,574	985

Registered Number 07635796

The financial statements on pages 5 to 22 were approved by the board of directors on 23 December 2013, and were signed on its behalf by



P J Millican  
Director

# Parabola Property Limited

## Consolidated cash flow statement for the year ended 31 March 2013

	Note	Year to 31 March 2013 £	Year to 31 March 2012 £
<b>Net cash (outflow)/inflow from operating activities</b>	17	(3,772,865)	10,800,691
Interest received		290,739	2,286
Interest paid		(1,910,784)	(7,713,905)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(1,620,045)	(7,711,619)
Purchase of tangible fixed assets		(3,334,404)	(18,058)
Disposal of tangible fixed assets		186,657,245	
<b>Net cash outflow for capital expenditure and financial investment</b>		183,322,841	(18,058)
Increase in borrowings		-	-
Repayment of borrowings		(154,297,910)	(2,738,242)
Introduced by minority interests		41,986	
Equity dividends paid to shareholders		(40,000)	
<b>Net cash outflow from financing</b>		(154,295,924)	(2,738,242)
<b>Increase in cash</b>	18	23,634,007	332,772

# 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 this transaction met the requirements set out in FRS6 for merger accounting to be adopted and therefore the consolidated results of the group were prepared on this basis, as though the group had always been in existence.

80% interests in Parabola Capital LLP and Parabola Industrial Estates Limited were acquired during the year.

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. 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 and industrial space 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.

# **Parabola Property Limited**

## **Statement of accounting policies (continued)**

### **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.

### **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 year ended 31 March 2013

### 1 Turnover

<b>Group</b>	<b>Year to 31 March 2013 £</b>	<b>Year to 31 March 2012 £</b>
Rental income	729,419	10,765,813
Service charges recoverable	282,864	3,233,413
Other income	24,193	236,573
	<b>1,036,476</b>	<b>14,235,799</b>

### 2 Operating profit

<b>Group</b>	<b>Year to 31 March 2013 £</b>	<b>Year to 31 March 2012 £</b>
<b>The operating profit is stated after charging/(crediting):</b>		
Amortisation of finance costs	4,881	104,800
Depreciation on tangible fixed assets	250	185,078
Fees paid for the annual audit	16,000	7,500
Costs recharged from Parabola Estates Limited		
Wages and salaries for administrative staff	135,982	38,514
Social security costs for administrative staff	18,053	4,044

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

<b>Directors' emoluments</b>	<b>2013 £</b>	<b>2012 £</b>
Aggregate emoluments	495,956	410,155

Total emoluments for the highest paid director were £399,082 (2012 £380,075), which was borne by Parabola Land Limited. No recharge has been made.

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 3 Interest payable and similar charges

Group	Year to	Year to
	31 March 2013	31 March 2012
	£	£
Interest payable on loans	591,573	7,989,837
Interest payable to a director	814,127	1,380,402
Interest payable to Parabola Estates Limited	-	243
Swap break costs	-	13,419,000
	<b>1,405,700</b>	<b>22,789,482</b>

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

##### (a) Taxation on the results for the year

Group	Year to	Year to
	31 March 2013	31 March 2012
	£	£
Current tax on the profit / (loss) for the year	-	-
Deferred tax		
- Origination and reversal of timing differences	11,929,935	(3,680,926)
- Adjustment in respect of previous periods	115,915	(720,353)
- Effect of changes in tax rates	-	1,724,494
Total deferred tax (note 12)	<b>12,045,850</b>	<b>(2,676,785)</b>
Tax on profit / (loss) on ordinary activities	<b>12,045,850</b>	<b>(2,676,785)</b>

# Parabola Property Limited

## Notes to the financial statements for the year ended 31 March 2013 (continued)

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

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

The tax assessed for the year is lower (2012 higher) than the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

Group	Year to 31 March 2013 £	Year to 31 March 2012 £
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>58,443,981</b>	<b>(14,825,846)</b>
Profit / (loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	<b>14,026,555</b>	<b>(3,854,720)</b>
Effects of		
- expenses not deductible for tax purposes	<b>72,769</b>	<b>6,116,988</b>
- income not deductible for tax purposes	-	<b>(5,957,113)</b>
- capital allowances in excess of depreciation	<b>(200)</b>	<b>(709,181)</b>
- short term timing differences	<b>(30,142)</b>	<b>302,179</b>
- utilisation of tax losses	<b>(7,876,745)</b>	<b>4,101,847</b>
- effect of gains	<b>(6,192,237)</b>	-
Current tax charge for the year	-	-

#### (c) Factors that may impact the future tax charge

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012 A further reduction in this corporation tax rate effective on 1 April 2013 from 24% to 23% was substantively enacted on 3 July 2012 Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 24% and deferred taxation has been calculated based on a rate of 23%

In addition to the changes in rates of corporation tax disclosed above a number of further changes to the UK corporation tax system were announced in the March 2013 UK Budget Statement Changes to the corporation tax rate on 1 April 2013, substantively enacted on 3 July 2013, will reduce to 23%, a 1% reduction from the rate substantively enacted on 26 March 2012 In addition changes to the corporation tax rate on 1 April 2014, substantively enacted on 2 July 2013, will reduce to 21%, a 2% reduction from the rate substantively enacted on 2 July 2013

Further reductions to the main rate are proposed to reduce the rate by 1% to 20% by 1 April 2015 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 5 Dividends

	2013	2012
	£	£
<b>Ordinary shares</b>		
4,000,000p (2012: 0p) per £1 share	40,000	-

#### 6 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 profit of £5,209,589 (2012: loss of £15) is recorded in the financial statements of the company.



## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 7 Tangible assets

Group	Held for sale Freehold Investment property £	Fixtures and fittings £	Other assets £	Total £
<b>Cost or valuation</b>				
At 1 April 2012	214,286,335	353,967	112,392	214,752,694
Additions	3,332,116	2,288	-	3,334,404
Disposals	(214,286,335)	(353,967)	(70,499)	(214,710,801)
<b>At 31 March 2013</b>	<b>3,332,116</b>	<b>2,288</b>	<b>41,893</b>	<b>3,376,297</b>
<b>Accumulated Depreciation</b>				
At 1 April 2012	-	239,876	-	239,876
Charge for the year	-	(250)	-	(250)
Disposals	-	(239,876)	-	(239,876)
<b>At 31 March 2013</b>		<b>(250)</b>	<b>-</b>	<b>(250)</b>
<b>Net book amount</b>				
<b>At 31 March 2013</b>	<b>3,332,116</b>	<b>2,038</b>	<b>41,893</b>	<b>3,376,047</b>
At 31 March 2012	214,286,335	114,091	112,392	214,512,818

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

	2013 £	2012 £
<b>Cost and net book value</b>	<b>3,332,116</b>	<b>126,746,590</b>

Other assets were valued by directors at 31 March 2013 on an open market basis, the resulting revaluation adjustments have been taken to the consolidated profit and loss account

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 7 Tangible assets (continued)

Company	Freehold Investment property £	Fixtures and fittings £	Other assets £	Total £
<b>Cost or valuation</b>				
At 1 April 2012	-	-	-	-
Additions	1,589,354	-	-	1,589,354
Disposals	-	-	-	-
<b>At 31 March 2013</b>	<b>1,589,354</b>	<b>-</b>	<b>-</b>	<b>1,589,354</b>
<b>Accumulated Depreciation</b>				
At 1 April 2012	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book amount</b>				
<b>At 31 March 2013</b>	<b>1,589,354</b>	<b>-</b>	<b>-</b>	<b>1,589,354</b>
At 31 March 2012	-	-	-	-

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

	2013 £	2012 £
<b>Cost and net book value</b>	<b>1,589,354</b>	<b>-</b>

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 8 Fixed asset investments

	£
At 1 April 2012	1,000
Shares acquired	8,000
<b>At 31 March 2013</b>	<b>9,000</b>

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 2013 were as follows

Name	Percentage ownership	Country of incorporation
Parabola Land Limited	100	United Kingdom
Parabola Industrial Estates Limited	80	United Kingdom

#### *Principal activities*

Parabola Land Limited holds property for investment purposes Parabola Industrial Estates Limited holds property for trading purposes

#### 9 Debtors – amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £
Trade debtors	150,441	197,837	43,615
Amounts owed by Group Undertakings	-	-	3,725,735
Finance arrangement costs	-	104,800	-
Other debtors	336,290	912,844	1,912
Prepayments	40,689	90,224	8,790
Accrued income	-	1,351,603	-
	<b>527,420</b>	<b>2,657,308</b>	<b>3,780,052</b>

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

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 10 Debtors – amounts falling due after more than one year

	Group 2013 £	Group 2012 £	Company 2013 £
Finance arrangement costs	-	223,123	-
Deferred tax asset (see note 12)	-	12,045,851	-
Other debtors	869,263	-	-
Prepayments	-	634,245	-
Accrued income	-	17,305,194	-
	869,263	30,208,413	-

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

	Group 2013 £	Group 2012 £	Company 2013 £
Trade creditors	95,239	500,009	1,574
Amounts owed to group undertakings	-	-	165,562
Amounts owed to director	16,038,708	33,061,487	-
Amounts owed to the Metrovick House Trust	-	2,317,350	-
Amounts owed to the Dorian Development Trust	320,198	2,285,161	-
Amounts owed to the Corinthian Capital Trust and the Dorian Development Trust	4,664,372	6,689,600	-
VAT payable	665	548,069	8,595
Other creditors	58,322	562,054	2,080
Accruals and deferred income	285,818	17,510,905	60,334
	21,463,322	63,474,635	238,145

£15,603,576 of the amount owed to the director is a loan 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 2013 of £nil (2012 £18,272,038). Interest on the loan is accruing at 4% (2012 6.5%) above 3 months LIBOR, and the total amount accrued at 31 March 2013 of £15,603,576 (2012 £14,789,449) has been included within the loan balance. The loan is repayable on demand. £435,132 of the amount owed to the director is the amount due under a bonus contract.

# Parabola Property Limited

## Notes to the financial statements for the year ended 31 March 2013 (continued)

### 11 Creditors – amounts falling due within one year (continued)

The amount owed to the Metrovick House Trust represents loans which are unsecured, repayable on demand, with principal outstanding at 31 March 2013 of £0 (2012 £2,300,000) The loans attract interest at 0% (2012 3.5%) above 3 months LIBOR on £0 (2012 £1,500,000) of the principal and at 5% above 3 months LIBOR on £0 (2012 £800,000) of the principal Interest of £0 (2012 £17,350) has been accrued at 31 March 2013 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 2013 of £0 (2012 £2,018,862) The loans attract interest at 4% (2012 5%) above 3 months LIBOR Interest of £320,198 (2012 £266,299) has been accrued at 31 March 2013 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 with principal outstanding at 31 March 2013 of £0 (2012 £2,230,000) The loans attract interest at 4% (2012 1.5%) above 3 month's LIBOR on the principal and are secured by floating charges over the assets of the company and fixed charges over the freehold property Interest of £4,664,372 has been accrued at 31 March 2013 (2012 £4,459,600), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust

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

	Group 2013 £	Group 2012 £	Company 2013 £
Amounts owed to Eurohypo AG	-	131,037,544	-
Amounts owed to director	-	1,131,041	-
	-	132,168,585	-

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 13 Deferred tax

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

Group	£
At 1 April 2012	12,045,851
Profit and loss account charge	
- Current year	(11,929,936)
- Adjustment in respect of prior years	(115,915)
<b>At 31 March 2013</b>	<b>-</b>

The deferred tax asset comprises

Group	2013 £	2012 £
Accelerated capital allowances	-	(5,255,902)
Short term timing differences	-	4,946,449
Losses	-	12,355,304
	-	12,045,851

The company has an unprovided deferred tax asset as at 31 March 2013 of £11,818,901. This has not been recognised in the financial statements due to uncertainty over the future income streams required for the potential asset to be recovered.

#### 14 Called up share capital

	Group 2013 £	Group 2012 £	Company 2013 £
<b>Authorised</b>			
1,000 ordinary shares of £1 each	1,000	1,000	1,000
<b>Allotted and fully paid</b>			
1,000 ordinary shares of £1 each	1,000	1,000	1,000

# Parabola Property Limited

## Notes to the financial statements for the year ended 31 March 2013 (continued)

### 15 Reserves

<b>Group</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 1 April 2012	87,539,745	(32,119,758)
Profit for the financial year	-	46,396,103
Dividend	-	(40,000)
Revaluation reserve movements	(87,539,745)	-
<b>At 31 March 2013</b>	<b>-</b>	<b>14,236,245</b>

<b>Company</b>	<b>Profit and loss account £</b>
At 1 April 2012	(15)
Profit for the financial year	5,209,589
<b>At 31 March 2013</b>	<b>5,209,574</b>

### 16 Reconciliation of movements in shareholders' funds

	<b>Group 2013 £</b>	<b>Group 2012 £</b>	<b>Company 2013 £</b>
Profit / (loss) for the financial period	46,396,103	(12,149,076)	5,249,589
Dividends	(40,000)	-	(40,000)
Revaluation in year	(87,539,745)	(11,613,665)	-
<b>Net change in shareholders' funds</b>	<b>(41,183,642)</b>	<b>(23,762,741)</b>	<b>5,209,589</b>
Opening shareholders' funds	55,420,987	79,183,728	985
<b>Closing shareholders' funds</b>	<b>14,237,345</b>	<b>55,420,987</b>	<b>5,210,574</b>

## Parabola Property Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 17 Cash flow from operating activities

Group	Year to 31 March 2013 £	Year to 31 March 2012 £
Operating profit / (loss)	(167,123)	7,961,335
Depreciation charge (including loss on disposal)	250	524,044
Increase in stock	(3,652,277)	
Decrease in debtors	19,423,188	2,193,806
(Decrease) / increase in creditors	(19,376,903)	121,506
<b>Net cash (outflow) /inflow from operating activities</b>	<b>(3,772,865)</b>	<b>10,800,691</b>

#### 18 Reconciliation in net debt

Group	As at 1 April 2012 £	Cash flow £	Non cash changes £	As at 31 March 2013 £
Cash at bank and in hand	3,685,668	23,634,007	-	27,319,675
Debt due within one year	(44,353,598)	24,857,118	(1,091,666)	(20,588,146)
Debt due after more than one year	(131,037,544)	129,477,011	1,560,533	-
	(171,705,474)	177,968,136	468,867	6,731,529

#### 19 Related party transactions

At 31 March 2013, the group owed £4,984,571 (2012 £8,974,761) to the Corinthian Capital Trust and the Dorian Development Trust, related parties by virtue of common influence. The interest accrued in the year was £258,762 (2012 £322,445), capital advanced was £nil (2012 £ nil), capital repayments were £4,248,862 (2012 £631,138) and interest payments were £nil (2012 £ nil).

At 31 March 2013, the group owed £0 (2012 £2,317,350) to the Metrovick House Trust, a related party by virtue of common influence. The interest accrued in the year was £18,868 (2012 £116,373), interest paid in the year was £36,218 (2012 £115,569) and capital repayments were £2,300,000 (2012 £60,000).

At 31 March 2013, the group owed £16,038,708 (2012 £33,061,487) to P J Millican, director. The interest accrued in the year was £814,127 (2012 £1,380,402), interest paid was £nil (2012 £65,000), draw downs were £nil (2012 £100,000) and capital repayments were £18,272,038 (2012 £500,000).

The accrual for amounts due under the director's service contract is £435,132 (2012 £1,131,041).

Wages and salaries costs of £135,982 (2012 £38,514) and social security costs of £18,053 (2012 £4,044) were recharged from Parabola Estates Limited in relation to administrative staff. The year end balance was £nil (2012 £nil).



## **Parabola Property Limited**

### **Notes to the financial statements for the year ended 31 March 2013 (continued)**

#### **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. Parabola Property Limited is the only company within the group that consolidates the company's financial statements.