

Registered Number 4298209

Parabola Land Limited  
Abbreviated financial statements  
for the year ended 31 March 2007



# **Parabola Land Limited**

## **Annual report and financial statements for the year ended 31 March 2007**

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# Parabola Land Limited

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

We have examined the abbreviated financial statements, together with the annual financial statements of Parabola Land Limited for the year ended 31 March 2007 prepared under section 226 of the Companies Act 1985

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you

This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Section 247B of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

### Basis of opinion

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

### Opinion

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



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Leeds

14 August 2007

# Parabola Land Limited

## Balance sheet as at 31 March 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	2	74,986,893	37,795,129
<b>Current assets</b>			
Debtors (including £6,705,208 due after one year (2006 £3,688,805))		7,796,908	4,628,052
Cash		2,187,127	475,340
		9,984,035	5,103,392
Creditors: amounts falling due within one year	3	(9,981,909)	(6,375,601)
Net current assets/(liabilities)		2,126	(1,272,209)
Total assets less current liabilities		74,989,019	36,522,920
Creditors: amounts falling due after more than one year	4	(88,110,919)	(42,444,934)
Net liabilities		(13,121,900)	(5,922,014)
<b>Capital and reserves</b>			
Called up equity share capital	5	1,000	1,000
Profit and loss account – deficit		(13,122,900)	(5,923,014)
Equity shareholders' deficit	6	(13,121,900)	(5,922,014)

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

  
P J Millican  
Director  
10 August 2007

# Parabola Land Limited

## Accounting policies

### **Basis of preparation**

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

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

### **Tangible fixed assets**

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

### **Depreciation**

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

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

### **Deferred taxation**

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

# Parabola Land Limited

## Notes to the abbreviated financial statements for the year ended 31 March 2007

### 1 Cash flow statement

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

### 2 Tangible fixed assets

	Freehold investment property under the course of development £	Other assets £	Total £
<b>Cost or valuation</b>			
At 1 April 2006	37,714,634	89,321	37,803,955
Additions	37,169,461	29,094	37,198,555
<b>At 31 March 2007</b>	<b>74,884,095</b>	<b>118,415</b>	<b>75,002,510</b>
<b>Depreciation</b>			
At 1 April 2006	-	8,826	8,826
Charge for the financial year	-	6,791	6,791
<b>At 31 March 2007</b>	<b>-</b>	<b>15,617</b>	<b>15,617</b>
<b>Net book amount</b>			
<b>At 31 March 2007</b>	<b>74,884,095</b>	<b>102,798</b>	<b>74,986,893</b>
At 31 March 2006	37,714,634	80,495	37,795,129

## Parabola Land Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2007 (continued)

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

	2007	2006
	£	£
Owed to director	2,964,259	2,394,104
Trade creditors	44,921	416,116
Amount owed to Parabola Estates Limited	2,976,107	2,217,620
Other creditors	75	-
Accruals and deferred income	3,996,547	1,347,761
	<b>9,981,909</b>	<b>6,375,601</b>

The amount owed to P J Millican, director, includes loans with total principal outstanding at 31 March 2007 of £2,826,843 (2006 £2,243,247). Interest on these loans is accruing at 6.5% (2006 15%) above 3 months LIBOR, and the total amount accrued at 31 March 2007 of £137,416 (2006 £150,857) has been included within these loan balances.

The amount owed to Parabola Estates Limited attracts interest at 6.5% (2006 15%) above 3 months LIBOR, which is capitalised quarterly. There is a principal outstanding at 31 March 2007 of £2,933,836 (2006 £2,167,773), and interest is accrued at 31 March 2007 of £42,271 (2006 £49,847).

# Parabola Land Limited

## Notes to the abbreviated financial statements for the year ended 31 March 2007 (continued)

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

	2007	2006
	£	£
Owed to Eurohypo AG	54,499,509	16,205,052
Owed to the Corinthian Capital Trust and the Dorian Development Trust	9,611,255	8,401,204
Owed to director	22,433,551	17,366,560
Trade creditors	1,566,604	472,118
	<b>88,110,919</b>	<b>42,444,934</b>

The amount owed to Eurohypo AG represents loans repayable on or after 16 May 2011 with total principal outstanding at 31 March 2007 of £53,727,749 (2006 £15,875,648) Interest on these loans is accruing at 3.5% above 3 months LIBOR on principal of £5,336,525 (2006 £4,890,787) and at 1.8% above 3 months LIBOR on principal of £37,623,629 (2006 £6,925,714) and at 1.8% above 1 month's LIBOR on principal of £10,767,595 (2006 £4,059,147) These loans are secured by floating charges over the assets of the company and fixed charges over the freehold property and over the share capital of the company Fees and interest of £771,760 have been accrued at 31 March 2007 (2006 £329,404), and this amount has been included within the loan balance

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

The amount owed to the Corinthian Capital Trust and the Dorian Development Trust represents loans, which are repayable on 31 December 2011 with principal outstanding at 31 March 2007 of £6,400,000 (2006 £6,400,000) The loans attract interest at 4% (2006 10%) above 3 months LIBOR on the principal and an additional 0.5% on rolled-up interest, and are secured by floating charges over the assets of the company and fixed charges over the freehold property Interest of £3,211,255 has been accrued at 31 March 2007 (2006 £2,001,204), and this amount has been included within the amount owed to the Corinthian Capital Trust and the Dorian Development Trust

The amount owed to director is comprised of two elements, the first being a loan balance repayable on 31 December 2011 with total principal outstanding at 31 March 2007 of £15,693,208 (2006 £12,899,857) Interest on this loan is accruing at 6.5% (2006 15%) above 3 months LIBOR, and the total amount accrued at 31 March 2007 of £5,213,924 (2006 £4,466,703) has been included in the loan balance The loan is secured by a floating charge over the assets of the company and a fixed charge over the freehold property

The second element of this balance relates to an accrual of £1,526,419, being the service contract payable



## Parabola Land Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2007 (continued)

#### 5 Called up equity share capital

	2007	20045
	£	£
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000

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

	2007	2006
	£	£
Retained loss for the financial year	(7,199,886)	(4,375,864)
Opening equity shareholders' funds	(5,922,014)	(1,546,150)
<b>Closing equity shareholders' deficit</b>	<b>(13,121,900)</b>	<b>(5,922,014)</b>