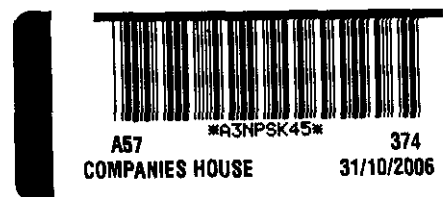


Registered Number 3540618

Parabola Estates Limited
Abbreviated financial statements
for the year ended 31 March 2006



Parabola Estates Limited

Abbreviated financial statements for the year ended 31 March 2006

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Parabola Estates Limited

Independent auditors' report to the members of Parabola Estates Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements, together with the annual financial statements of Parabola Estates Limited for the year ended 31 March 2006

Respective responsibilities of directors and auditors

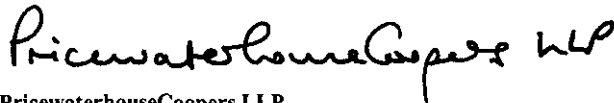
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements in accordance with Sections 246(5) and (6) of the Companies Act 1985, and whether the abbreviated financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

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 to be delivered are *properly prepared in accordance with those provisions*.



PricewaterhouseCoopers LLP

Leeds

Chartered Accountants and Registered Auditors

3 • October 2006

Parabola Estates Limited

Balance sheet as at 31 March 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	2	42,459,004	42,474,609
Investments	3	-	-
		42,459,004	42,474,609
Current assets			
Debtors	4	2,839,710	640,125
Prepayments and accrued income (including £182,856 (2005: £231,936) due after one year)		331,639	524,682
Cash		754,624	133,865
		3,925,973	1,298,672
Creditors: amounts falling due within one year	5	(2,744,021)	(2,232,919)
Net current liabilities		1,181,952	(934,247)
Total assets less current liabilities		43,640,956	41,540,362
Creditors: amounts falling due after more than one year	6	(24,157,524)	(23,118,297)
Provisions for liabilities and charges	7	(668,965)	(349,963)
Net assets		18,814,467	18,072,102
Capital and reserves			
Called up equity share capital	8	100	100
Revaluation reserve		17,504,162	17,504,162
Profit and loss account		1,310,205	567,840
Equity shareholders' funds	9	18,814,467	18,072,102

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

30th October 2006

Parabola Estates Limited

Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, 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 year, 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 year.

Turnover

Turnover represents rental and service charge income from the letting of office space in Central Square and Central Square South, excluding value added tax. Turnover relates entirely to the United Kingdom.

Investment Properties

Properties held for investment and included in 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.

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 statues and other 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.

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.

Pre-letting costs

Costs incurred in setting up new leases are included in prepayments and charged to the profit and loss account evenly over the period of the lease.

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.

Investments

Investments in participating interests are stated at cost less provision for permanent diminution in value.

Parabola Estates Limited

Notes to the abbreviated financial statements for the year ended 31 March 2006

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 land and buildings	Other assets	Total
	£	£	£
Cost or valuation			
At 1 April 2005	41,890,000	882,406	42,772,406
Additions	-	11,196	11,196
Uplift arising on revaluation			
At 31 March 2006	41,890,000	893,602	42,783,602
Depreciation			
At 1 April 2005	-	297,797	297,797
Charge for the year	-	26,801	26,801
At 31 March 2006	-	324,598	324,598
Net book amount			
At 31 March 2006	41,890,000	569,004	42,459,004
At 1 April 2005	41,890,000	584,609	42,474,609

On 15 October 2004 investment properties, categorised as freehold land and buildings, with a historical cost of £24,385,838 were revalued on an open market, full completion basis to £41,890,000 by GVA Grimley, an independent firm of chartered surveyors. The valuation reflected in the financial statements represents this full completion valuation plus expenditure incurred since the valuation date. In the opinion of the sole director the open market value has not changed significantly from the date of the valuation.

On a historical cost basis, the freehold land and buildings would be included at:

	2006	2005
	£	£
Cost	24,385,838	24,385,838
Accumulated depreciation	-	-
Net book value	24,385,838	24,385,838

Parabola Estates Limited

Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

3 Investments

	Investment in participating interest £	Loan to undertaking in which company has a participating interest £	Total £
Cost			
At 1 April 2005 and 31 March 2006	1,000	49,000	50,000
Provisions for permanent diminution in value			
At 1 April 2005 and 31 March 2006	(1,000)	(49,000)	(50,000)
Net book amount			
At 1 April 2005 and 31 March 2006	Nil	Nil	Nil

Parabola Estates Limited holds a 33 $\frac{1}{3}$ % interest in Central Square Developments (Newcastle) Limited, a company incorporated on 27 June 2000. The investment comprises 1,000 equity shares with a nominal value of £1 each. The company is a property development operation with an accounting period end of 31 December. Central Square Developments (Newcastle) Limited remains in a net liabilities position and the directors consider that full provision against the investment remains appropriate.

4 Debtors

	2006 £	2005 £
Trade debtors	348,188	372,361
Amount owed by Parabola Land Limited	2,217,620	-
Other debtors	273,902	267,764
	2,839,710	640,125

Parabola Estates Limited

Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

5 Creditors – amounts falling due within one year

	2006	2005
	£	£
Bank loans (see note 6)	923,633	809,095
Trade creditors	101,492	107,456
Owed to director	143,252	274
Other taxation and social security	10,017	3,592
VAT payable	135,674	123,932
Other creditors	408,852	268,768
Accruals and deferred income	1,021,101	919,802
	2,744,021	2,232,919

6 Creditors – amounts falling due after more than one year

	2006	2005
	£	£
Bank loans	24,157,524	23,118,297

The bank loans are repayable as follows:

	2006	2005
	£	£
In less than one year	923,633	809,095
Between one and two years	989,656	867,626
Between two and five years	3,413,744	2,997,597
In over five years	19,754,123	19,253,074
	25,081,156	23,927,392

The bank loans are secured over property in Central Square and Central Square South, Newcastle upon Tyne. They are repayable over 20 years. Interest is payable on the Phase I loan at 7.095% per annum on £7,432,664 (2005: £7,712,905) of the year end balance, 5.92% on £489,960 (2005: Nil) of the year end balance and 5.86% on £495,488 (2005: Nil) of the year end balance. Interest is payable on the Phase II loan at 6.98% on £13,047,749 (2005: £13,494,112) of the year end balance, 5.92% on £489,960 (2005: Nil) of the year end balance, 5.86% on £495,488 (2005: Nil) of the year end balance and at 1.75% above the Bank of England base rate on £2,757,102 (2005: £2,845,539) of the year end loan balance. Finance arrangement costs of £162,391 (2005: £152,391) are being amortised over the period of the loan and the un-amortised amount of £127,253 (2005: £125,164) has been netted off against the gross amount of the loan.

Parabola Estates Limited

Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

7 Provisions for liabilities and charges

Deferred taxation

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

	£
At 1 April 2005	349,963
Profit and loss account charge:	
- Current year	319,002
At 31 March 2006	668,965

The deferred tax liability comprises:

	2006	2005
	£	£
The amounts provided for deferred taxation are as follows:		
Capital allowances	1,925,575	1,786,437
Short term timing differences	(2,465)	(2,465)
Losses carried forward	(1,254,145)	(1,434,009)
	668,965	349,963

There is unprovided deferred taxation of £3,783,900 relating to revalued assets (2005: £3,783,900.)

8 Called up equity share capital

	2006	2005
	£	£
Authorised		
10,000 ordinary shares of £0.01 each	100	100
Allotted, called up and fully paid		
10,000 ordinary shares of £0.01 each	100	100

Parabola Estates Limited

Notes to the abbreviated financial statements for the year ended 31 March 2006 (continued)

9 Reconciliation of movements in equity shareholders' funds

	2006	2005
	£	£
Profit for the financial year	742,365	229,708
Uplift arising on revaluation of freehold properties	-	4,891,163
Opening equity shareholders' funds	18,072,102	12,951,231
Closing equity shareholders' funds	18,814,467	18,072,102

10 Capital and other commitments

	2006	2005
	£	£
Contracts placed	-	-

11 Ultimate controlling parties

The directors consider that, by virtue of the shares held, the ultimate controlling parties of the company are the trustees of Sheffield Trust, RDW Property Trust and West of England Property Trust.