

Company Registration Number:

2415941

Report and Accounts

TR PROPERTY FINANCE LIMITED

31 March 2008

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TR PROPERTY FINANCE LIMITED

DIRECTORS' REPORT

Directors: C M Turner
J L Elliott
M A Phayre-Mudge

Secretary: Capita Company Secretarial Services Limited

Registered Office: 51 Berkeley Square, London W1J 5BB

The directors present their report and the audited accounts for the year ended 31 March 2008.

Business Review

The principal activities of the Company are those of an investment holding and finance company.

The Company will continue to act as an investment holding and finance company for the TR Property group.

Dividend

The Company has no distributable reserves and the directors do not recommend the payment of a dividend.

Elective Resolutions

The Company has passed resolutions, pursuant to Sections 252, 366A and 386 of the Companies Act 1985, as amended, ('the Act') to dispense with the holding of Annual General Meetings, the laying of the Annual Report and Accounts before general meetings and the obligation to appoint auditors annually. Any member of the Company, pursuant to Section 253(2) of the Act, may require the Report and Accounts to be laid before a general meeting by depositing a notice to that effect at the registered office of the Company not later than 28 days after the despatch of the Report and Accounts to members.

TR PROPERTY FINANCE LIMITED

DIRECTORS' REPORT (Cont.)

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

Directors' Statement as to Disclosure of Information to Auditors

The directors who were members of the Board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- a) to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are not aware;
- b) each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



J Crehan
For and on behalf of Capita Company Secretarial Services Limited
Secretary

28 January 2009

TR PROPERTY FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

TR PROPERTY FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TR PROPERTY FINANCE LIMITED

We have audited the Company's financial statements for the year ended 31 March 2008 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the annual report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

TR PROPERTY FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TR PROPERTY FINANCE LIMITED (cont.)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date: *24 January 2009*

TR PROPERTY FINANCE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	<u>Note</u>	<u>2008</u> <u>£'000</u>	<u>2007</u> <u>£'000</u>
Income from fixed asset investments	2	110	110
Administrative expenses	3	<u>(18)</u>	<u>(10)</u>
OPERATING PROFIT		92	100
Interest receivable	4	5,036	5,838
Interest payable and similar charges	5	<u>(5,033)</u>	<u>(5,269)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95	669
Taxation	6	<u>(28)</u>	<u>(201)</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u><u>67</u></u>	<u><u>468</u></u>

There are no recognised gains or losses other than those stated above.

All items in the above statement derive from continuing operations.

The notes on pages 9 to 13 form part of these accounts.

TR PROPERTY FINANCE LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 March 2008

	<u>2008</u>	<u>2007</u>
	£'000	£'000
Profit for the financial year	67	468
Shareholders' deficit b/f	<u>(5,075)</u>	<u>(5,543)</u>
Shareholders' deficit at 31 March	<u>(5,008)</u>	<u>(5,075)</u>

The notes on pages 9 to 13 form part of these accounts.

TR PROPERTY FINANCE LIMITED

BALANCE SHEET at 31 MARCH 2008

	<u>Note</u>	<u>2008</u> £'000	<u>2007</u> £'000
FIXED ASSETS			
Investments	7	<u>3,250</u>	<u>3,250</u>
CURRENT ASSETS			
Debtors	8	83,483	83,399
Cash at bank		<u>1</u>	<u>154</u>
		83,484	83,553
CREDITORS - amounts falling due within one year	9	<u>(63,742)</u>	<u>(63,878)</u>
NET CURRENT ASSETS		<u>19,742</u>	<u>19,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,992	22,925
CREDITORS - amounts falling due after more than one year	9	<u>(28,000)</u>	<u>(28,000)</u>
TOTAL NET LIABILITIES		<u>(5,008)</u>	<u>(5,075)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	<u>(5,009)</u>	<u>(5,076)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(5,008)</u>	<u>(5,075)</u>

These accounts were approved and authorised for issue by the Board on 28 January 2009.



J L Elliott - Director

The notes on pages 9 to 13 form part of these accounts.

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Basis of Accounting

The accounts have been prepared under the historical cost basis of accounting and in accordance with United Kingdom accounting standards. All of the Company's operations are of a continuing nature. The accounts have been prepared on a going concern basis as the Company's parent undertaking has agreed to continue to provide sufficient financial support for the foreseeable future to enable the Company to discharge its obligations as and when they fall due.

b) Income and Expenses

Income and expenses are recognised on an accruals basis.

c) Investments

The Company's investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

d) Deferred Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

e) Cashflow

The Company has taken advantage of the exemption under FRS1 (revised), as a wholly owned subsidiary of TR Property Investment Trust plc, not to present a cashflow statement.

2. Income from Fixed Asset Investments

	<u>2008</u> £'000	<u>2007</u> £'000
Interest from group undertakings	<u>110</u>	<u>110</u>

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

3. Administrative Expenses

	<u>2008</u> £'000	<u>2007</u> £'000
Auditors' remuneration :		
Audit fees	<u>14*</u>	<u>3</u>

No amounts were payable by the Company or any third party in respect of the directors' services to the Company for the year (2007: £nil).

- * The Company's audit fee for 2008 was £8,000. Audit fees of £6,000 have been borne on behalf of other group undertakings.

4. Interest Receivable

	<u>2008</u> £'000	<u>2007</u> £'000
Bank deposit interest	3	4
Interest receivable from group undertakings	<u>5,033</u>	<u>5,834</u>
	<u>5,036</u>	<u>5,838</u>

5. Interest Payable

	<u>2008</u> £'000	<u>2007</u> £'000
Interest payable to group undertakings	1,714	1,914
Interest payable on loan stock and debentures falling due in more than 5 years:		
Loan stock interest (due to parent undertaking)	1,560	1,560
Debenture interest	<u>1,759</u>	<u>1,795</u>
	<u>5,033</u>	<u>5,269</u>

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

6. Taxation on Net Return on Ordinary Activities

a) Analysis of charge for the year

	<u>2008</u> £'000	<u>2007</u> £'000
UK Corporation tax		
Group relief claimed	<u>28</u>	<u>201</u>

b) Factors affecting current tax charge for the year

The tax assessed for the years ended 31 March 2008 and 31 March 2007 is equal to the standard rate of corporate tax in the UK (30%).

7. Fixed Asset Investments

	<u>Shares in</u> <u>Subsidiary</u> <u>Undertakings</u> £'000	<u>Loan Notes</u> <u>In Fellow</u> <u>Subsidiary</u> <u>Undertakings</u> £'000	<u>Total</u> £'000
At 1 April 2007 and 31 March 2008	<u>2,150</u>	<u>1,100</u>	<u>3,250</u>

Details of the investments in which the Company holds more than 10% of the nominal value of any class of share capital are as follows:

<u>Name of Company</u>	<u>% of Ordinary</u> <u>Shares held</u>	<u>Nature of Business</u>
Trust Union Finance (1991) PLC	100	Investment Holding Company
New England Properties Limited		
- Direct	12	Property Investment Company
- Indirect #	70	

(held by subsidiary undertaking)

Both of the above companies are registered and operating in England and Wales.

TR Property Finance Limited is a wholly owned subsidiary of another UK company (see Note 12) and has dispensed with the requirement to prepare group accounts as permitted by S228 Companies Act 1985. In the opinion of the directors, the aggregate value of the Company's shares in, and amounts due from, subsidiary undertakings is not less than the aggregate amounts at which they are included in the balance sheet.

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

8. Debtors - amounts falling due within one year

	<u>2008</u> £'000	<u>2007</u> £'000
Amounts due from parent undertaking	78,915	78,410
Amounts due from group undertakings	4,522	4,936
Other debtors and prepayments	<u>46</u>	<u>53</u>
	<u>83,483</u>	<u>83,399</u>

9. Creditors - amounts falling due within one year

	<u>2008</u> £'000	<u>2007</u> £'000
Amounts due to group undertakings	63,551	63,698
Other creditors and accruals	<u>191</u>	<u>180</u>
	<u>63,742</u>	<u>63,878</u>

Creditors - amounts falling due after more than one year

	<u>2008</u> £'000	<u>2007</u> £'000
11.5% Debenture 2016	15,000	15,000
Amounts due to parent undertaking - 12% Loan stock 2010	<u>13,000</u>	<u>13,000</u>
	<u>28,000</u>	<u>28,000</u>

10. Called Up Share Capital

	<u>2008</u> £'000	<u>2007</u> £'000
Authorised: 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

11. **Profit and Loss Account**

	£'000
At 1 April 2007	(5,076)
Retained profit for the year	<u>67</u>
At 31 March 2008	<u>(5,009)</u>

12. **Parent Undertaking**

The parent undertaking of the group undertakings for which group accounts are prepared and of which the Company is a member is TR Property Investment Trust plc, which is registered in England and Wales. Copies of the accounts of TR Property Investment Trust plc can be obtained from the Company Secretary, TR Property Investment Trust plc, Capita Company Secretarial Services Limited, 17-19 Rochester Row, London, SW1P 1QT

13. **Related Party Transactions**

The Company has taken advantage of the exemption from disclosure of transactions with group companies given by FRS8.