

Company Registration Number: 2415941

TR PROPERTY FINANCE LIMITED

Report and Accounts

For the period 1 October 2016 to 31 March 2017



DIRECTORS' REPORT

Directors: J L Elliott
M A Phayre-Mudge
G Gay

Registered Office: 11 Hanover Street, London, W1S 1YQ

Secretary: Link Company Matters Limited

The directors present their report and the accounts for TR Property Finance Limited (the 'Company') for the period from 1 October 2016 to 31 March 2017.

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 Investment Trust plc group ("the Group").

The Company does not currently have sufficient financial resources but has continuing financial support of its ultimate parent company, TR Property Investment Trust plc (the 'parent undertaking'). The parent undertaking has provided a guarantee under section 479C of the Companies Act 2006 in respect of the Company. The guarantee covers all outstanding liabilities to which the Company is subject at 31 March 2017, until they are satisfied in full, and is enforceable against the parent undertaking by any person to whom the Company is liable in respect of those liabilities. As a consequence the directors believe that the company is well placed to manage its business risks going forward. Accordingly, the financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due.

The Company is exempt from preparing a strategic report under section 416 of the Small Companies Accounts Regulations 2008.

Directors

The directors of the Company during the period ended 31 March 2017 were those listed above.

No director had any interests in the share capital of the Company. The interests of the directors in the share capital of TR Property Investment Trust plc, the ultimate holding company, at the beginning of the period and at the end of the period are shown below:

	Ordinary Shares of 25p 31 March 2017	Ordinary Shares of 25p 1 October 2016
J L Elliott	23,140	23,140
M A Phayre-Mudge	297,192	297,192
G Gay	7,219	7,124

Dividend

The Company has no distributable reserves and the directors do not recommend the payment of a dividend. (2016: nil).

Supplier payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

By order of the Board



N Lambourne

For and on behalf of Link Company Matters Limited
Secretary

21 February 2018

TR PROPERTY FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TR PROPERTY FINANCE LIMITED

PROFIT AND LOSS ACCOUNT for the period ended 31 March 2017

	<u>Note</u>	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Income from fixed asset investments	2	69	165
Administrative expenses		<u>(16)</u>	<u>(27)</u>
OPERATING PROFIT	3	53	138
Interest receivable	4	476	1,719
Interest payable and similar charges	5	<u>(911)</u>	<u>(3,617)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(382)	(1,760)
Taxation	6	<u>65</u>	<u>232</u>
LOSS FOR THE FINANCIAL PERIOD	11	<u>(317)</u>	<u>(1,528)</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 7 to 12 form part of these accounts.

TR PROPERTY FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY for the period ended 31 March 2017

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Loss for the financial period	(317)	(1,528)
Shareholder's deficit brought forward	<u>(25,310)</u>	<u>(23,782)</u>
Shareholder's deficit at 31 March	<u>(25,627)</u>	<u>(25,310)</u>

The notes on pages 7 to 12 form part of these accounts.

TR PROPERTY FINANCE LIMITED

BALANCE SHEET at 31 March 2017

	Note	31 March 2017 £'000	30 September 2016 £'000
FIXED ASSETS			
Investments	7	16,210	16,210
CURRENT ASSETS			
Cash		25	13
Debtors	8	<u>28,602</u>	<u>29,189</u>
		28,627	29,202
CREDITORS - amounts falling due within one year	9	(70,464)	(70,722)
NET CURRENT LIABILITIES		<u>(41,837)</u>	<u>(41,520)</u>
NET LIABILITIES		<u>(25,627)</u>	<u>(25,310)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Revaluation reserve	11	(12,040)	(12,040)
Profit and Loss Account	11	<u>(13,588)</u>	<u>(13,271)</u>
SHAREHOLDER'S DEFICIT		<u>(25,627)</u>	<u>(25,310)</u>

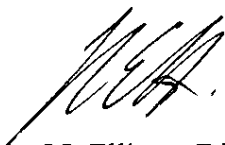
For the period ending 31 March 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

In order to facilitate the adoption of this exemption, TR Property Investment Trust plc, the parent of TR Property Finance Limited, has provided a guarantee under section 479C of the Companies Act 2006 in respect of the Company.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts were approved by the Board on 21 February 2018.



J L Elliott - Director

The notes on pages 7 to 12 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Basis of Accounting

The accounts have been prepared under the historical cost basis of accounting and have been prepared in accordance with the Companies Act 2006 and FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (which is effective for periods commencing on or after 1 January 2015). The values contained within the financial statements and notes have been rounded to the nearest thousand pounds. 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.

The accounts contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements of its parent, TR Property Investment Trust plc, a company registered in England.

b) Income and expenses

Income and expenses (including interest receivable and payable) 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) Taxation and Deferred Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred arising from 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 based on tax rates and laws enacted or substantially enacted at the balance sheet date. 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 is exempt under section 382 of the Companies Act 2006 from the requirement to prepare a cash flow statement as it meets the criteria of the small companies' regime.

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

f) Loan Notes and Debentures

Loan Notes and debentures are initially recognised at cost, being the fair value of the consideration received. The debenture issue costs are capitalised and amortised over the life of the debenture.

2. Income from Fixed Asset Investments

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Interest receivable from group undertakings	<u>69</u>	<u>165</u>

3. Operating Profit

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
This is stated after charging:		
Audit fees*	<u>=</u>	<u>4</u>

No director earned any remuneration from the Company during the period (2016: nil).
No amounts were payable by the Company or any third party in respect of the directors' services to the Company for the period (2016: nil).

* In the current period no audit fees were incurred or borne (2016: £14,000) on behalf of other group undertakings.

4. Interest Receivable

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Interest receivable from group undertakings	<u>476</u>	<u>1,719</u>

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

5. Interest Payable

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Interest payable to group undertakings	911	2,016
Interest payable on loan stock and debentures falling due between 1 and 5 years	<u>-</u> <u>911</u>	<u>1,601</u> <u>3,617</u>

6. Taxation on Net Return on Ordinary Activities

a) Analysis of credit for the period

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
UK Corporation tax: Group relief for the financial period	(65)	(232)
Current and total tax credit for the period	<u>(65)</u>	<u>(232)</u>

b) Factors affecting current tax credit for the period

The tax assessed for the period ended 31 March 2017 is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below.

	6 months to 31 March <u>2017</u> £'000	18 months to 30 September <u>2016</u> £'000
Net loss on ordinary activities before taxation	(382)	(1,760)
Corporation tax credit at 20% (2016: 20%)	(76)	(352)
Effects of:		
Prior period adjustment	11	-
Deferred tax not provided	<u>-</u>	<u>120</u>
Current and total tax credit for the period	<u>(65)</u>	<u>(232)</u>

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NOTES TO THE ACCOUNTS

7. Fixed Asset Investments

	<u>Shares in</u> <u>Subsidiary</u> <u>Undertakings</u> £'000	<u>Loan Notes</u> <u>Issued By</u> <u>Fellow</u> <u>Subsidiary</u> <u>Undertakings</u> £'000	<u>Total</u> £'000
At 1 October 2016 and 31 March 2017	<u>15,110</u>	<u>1,100</u>	<u>16,210</u>

The historical cost of the Company's investments at 31 March 2017 was £28,250,000 (2016: £28,250,000). In previous years a permanent diminution of £12,040,000 has been recognised on the Company's investments.

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 company registered in the United Kingdom (see Note 12) and has dispensed with the requirement to prepare group accounts as permitted by s400 Companies Act 2006.

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.	<u>Debtors</u> – amounts falling due within one year	31 March <u>2017</u> £'000	30 September <u>2016</u> £'000	
	Amounts due from parent undertaking	26,781	27,223	
	Amounts due from group undertakings	<u>1,821</u>	<u>1,966</u>	
		<u>28,602</u>	<u>29,189</u>	
9.	<u>Creditors</u> – amounts falling due within one year	31 March <u>2017</u> £'000	30 September <u>2016</u> £'000	
	Amounts due to group undertakings	<u>70,464</u>	<u>70,722</u>	
10.	<u>Called Up Share Capital</u>	31 March <u>2017</u> £'000	30 September <u>2016</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>	
11.	<u>Reserves</u>	<u>Profit and</u> <u>loss</u> <u>account</u> £'000	<u>Revaluation</u> <u>reserve</u> £'000	<u>Total</u> £'000
	At 1 October 2016	(13,271)	(12,040)	(25,311)
	Loss for the financial period	<u>(317)</u>	<u>-</u>	<u>(317)</u>
	At 31 March 2017	<u>(13,588)</u>	<u>(12,040)</u>	<u>(25,628)</u>

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

12. Related undertakings

Details of the investments in which the Company holds any class of share capital are as follows:

<u>Name of Company</u>	<u>% of Ordinary Shares held</u>	<u>Nature of Business</u>
<u>Direct</u>		
New England Properties Limited	30	Property Investment Company
<u>Indirect (all through New England Properties Limited)</u>		
FGH (Newcastle) Limited	50	Non-trading company
FGH Developments (Aberdeen) Limited	50	Non-trading company
FGH Developments Limited	99.99	Non-trading company
NEP (1994) Limited	99	Non-trading company
New England (Southern) Limited	99	Non-trading company
New England Developments Limited	99.8	Non-trading company
New England Investments Limited	50	Non-trading company
New England Retail Properties Limited	99	Non-trading company
Sapco One Limited	99.99	Non-trading company

All companies are registered and operating in England and Wales and have the registered office of 11-12 Hanover Street, London, W1S 1YQ with the exception of FGH Developments (Aberdeen) Limited which is registered in Scotland and has a registered office of 50 Lothian Road, Festival Square, Edinburgh EH3 9BY.

13. Parent Undertaking

The parent undertaking of the group of 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. The Company was entitled to audit exemption under section 479A of the Companies Act 2006. To facilitate the adoption of this exemption TR Property Investment Trust plc has provided a guarantee under section 479C of the Companies Act 2006. Copies of the accounts of TR Property Investment Trust plc can be obtained from the Company Secretary, Link Company Matters Limited, 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

14. Related Party Transactions

The Company has taken advantage of the available exemption under the terms of FRS102, from disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

15. Going Concern

As at 31 March 2017, the Company had net liabilities of £25,627,000 and is dependent on the continuing financial support of the TR Property Investment Trust plc group. The ultimate parent company, TR Property Investment Trust plc, has provided a

guarantee under section 479C of the Companies Act 2006. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.