

Company Registration Number 2415941

Report and Accounts

TR PROPERTY FINANCE LIMITED

31 March 2012

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DIRECTORS' REPORT

| | |
|--------------------|---|
| Directors: | C M Turner (resigned 30 June 2011) J L Elliott M A Phayre-Mudge J F K Wilkinson (appointed 20 June 2011) |
| Secretary | Capita Company Secretarial Services Limited |
| Auditors: | Ernst & Young LLP |
| Registered Office: | 11 Hanover Street, London, W1S 1YQ |

The directors present their report and the audited accounts for TR Property Finance Limited (the 'Company') for the year ended 31 March 2012

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.

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 'Group'). The Group has provided a letter setting out its financial support to the Company to meet all of its present and future obligations as and when they fall due to the extent the Company is unable to do so. 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

Directors

The directors of the Company during the year ended 31 March 2012 were those listed above. On 30 June 2011 Mr James Wilkinson was appointed as a director of the Company.

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 year and at the end of the year are shown below:

| | Ordinary Shares of 25p | | Sigma shares 12.5p | |
|------------------|-------------------------------|---------------|---------------------------|---------------|
| | 1 April 2011 | 31 March 2012 | 1 April 2011 | 31 March 2012 |
| C M Turner | 204,526 | - | 400,000 | - |
| J L Elliott | 0 | 3,000 | 30,500 | 35,500 |
| M A Phayre-Mudge | 16,456 | 16,456 | 316,237 | 386,237 |
| J F K Wilkinson | 2,806 | 2,806 | 70,000 | 95,000 |

Dividend

The Company has no distributable reserves and the directors do not recommend the payment of a dividend (2011: 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

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.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



M Holt

For and on behalf of Capita Company Secretarial Services Limited
Secretary

21 December 2012

TR PROPERTY FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' 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) 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 judgments and estimates that are reasonable,
- 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 which 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 2006 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 financial statements of TR Property Finance Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, and the related notes 1 to 14. 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).

This report is made solely to the company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to it in an auditor's 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 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 Report and Accounts 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 company's affairs as at 31 March 2012 and of its loss 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

TR PROPERTY FINANCE LIMITED

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

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.

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

Ashley Coups

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

21 December 2012

TR PROPERTY FINANCE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2012

| | <u>Note</u> | <u>2012</u> <u>£'000</u> | <u>2011</u> <u>£'000</u> |
|--|-------------|-----------------------------|-----------------------------|
| Income from fixed asset investments | 2 | 110 | 110 |
| Administrative expenses | | <u>(16)</u> | <u>(9)</u> |
| OPERATING PROFIT | 3 | 94 | 101 |
| Interest receivable | 4 | 1,919 | 2,281 |
| Interest payable and similar charges | 5 | <u>(3,127)</u> | <u>(3,058)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(1,114)</u> | <u>(676)</u> |
| Taxation | 6 | <u>308</u> | <u>179</u> |
| LOSS FOR THE FINANCIAL YEAR | 11 | <u>(806)</u> | <u>(497)</u> |

There are no recognised gains or losses other than those stated above and accordingly a statement of total recognised gains and losses is not presented.

All items in the above statement derive from continuing operations

The notes on pages 9 to 14 form part of these accounts

TR PROPERTY FINANCE LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS for the year ended 31 March 2012

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|--|------------------------|------------------------|
| Loss for the financial year | (806) | (497) |
| Shareholder's deficit brought forward | <u>(20,259)</u> | <u>(19,762)</u> |
| Shareholder's deficit at 31 March | <u>(21,065)</u> | <u>(20,259)</u> |

The notes on pages 9 to 14 form part of these accounts

TR PROPERTY FINANCE LIMITED

BALANCE SHEET at 31 MARCH 2012

| | <u>Note</u> | 2012 £'000 | 2011 £'000 |
|---|-------------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Investments | 7 | 16,210 | 16,210 |
| CURRENT ASSETS | | | |
| Cash | | 8 | 4 |
| Debtors | 8 | <u>43,582</u> | <u>49,110</u> |
| | | 43,590 | 49,114 |
| CREDITORS - amounts falling due within one year | 9 | (65,865) | (70,583) |
| NET CURRENT LIABILITIES | | <u>(22,275)</u> | <u>(21,469)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (6,065) | (5,259) |
| CREDITORS - amounts falling due after more than one year | 9 | <u>(15,000)</u> | <u>(15,000)</u> |
| NET LIABILITIES | | <u>(21,065)</u> | <u>(20,259)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 1 | 1 |
| Revaluation reserve | 11 | (12,040) | (12,040) |
| Accumulated deficit | 11 | <u>(9,026)</u> | <u>(8,220)</u> |
| SHAREHOLDER'S DEFICIT | | <u>(21,065)</u> | <u>(20,259)</u> |

These accounts were approved by the Board on 21 December 2012



J L Elliott - Director

The notes on pages 9 to 14 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 the Companies Act 2006 and applicable 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.

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 year 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 a wholly owned subsidiary of TR Property Investment Trust plc, and is therefore included in its consolidated financial statements which are publicly available, consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

f) Loan notes

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

2. Income from Fixed Asset Investments

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|---|----------------------|----------------------|
| Interest receivable from group undertakings | <u>110</u> | <u>110</u> |

3. Operating Profit

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|--------------------------------|----------------------|----------------------|
| This is stated after charging: | | |
| Auditors' remuneration : | | |
| Audit fees* | <u>9</u> | <u>15</u> |

No director earned any remuneration from the Company during the year (2011 nil)
No amounts were payable by the Company or any third party in respect of the directors' services to the Company for the year (2011 £nil)

* Audit fees of £8,000 have been borne (2011 £14,000) on behalf of other group undertakings.

4. Interest Receivable

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|---|----------------------|----------------------|
| Interest receivable from group undertakings | <u>1,919</u> | <u>2,281</u> |
| | <u>1,919</u> | <u>2,281</u> |

5. Interest Payable

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|---|----------------------|----------------------|
| Interest payable to group undertakings | 1,348 | 1,240 |
| Interest payable on loan stock and debentures | | |
| falling due in more than 5 years | - | 1,771 |
| falling due between 1 and 5 years | 1,779 | - |
| Debenture interest | | |
| falling due in less than 1 year | | |
| Loan stock interest (due to parent undertaking) | - | 47 |
| | <u>3,127</u> | <u>3,058</u> |

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

6. Taxation on Net Return on Ordinary Activities

a) Analysis of credit for the year

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|---|----------------------|----------------------|
| UK Corporation tax. | | |
| Group relief for the financial year | <u>(308)</u> | <u>(179)</u> |
| Current and total tax credit for the year | <u>(308)</u> | <u>(179)</u> |

b) Factors affecting current tax credit for the year

The tax assessed for the year ended 31 March 2012 is higher (2011: lower) than the standard rate of corporation tax in the UK of 26% (2011: 28%). The differences are explained below

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|---|----------------------|----------------------|
| Net loss on ordinary activities before taxation | <u>(1,114)</u> | <u>(676)</u> |
| Corporation tax credit at 26% (2011: 28%) | <u>(290)</u> | <u>(189)</u> |
| Effects of: | | |
| Short term timing differences | - | 10 |
| Prior year adjustment | <u>(18)</u> | <u>-</u> |
| Current and total tax credit for the year | <u>(308)</u> | <u>(179)</u> |

TR PROPERTY FINANCE LIMITED

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 April 2011 and 31 March 2012 | <u>15,110</u> | <u>1,100</u> | <u>16,210</u> |

The historical cost of the Company's investments at 31 March 2012 was £28,250,000 (2011: £28,250,000)

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 (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. **Debtors** – amounts falling due within one year

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|-------------------------------------|----------------------|----------------------|
| Amounts due from parent undertaking | 41,297 | 39,519 |
| Amounts due from group undertakings | 2,263 | 9,562 |
| Other debtors and prepayments | <u>22</u> | <u>29</u> |
| | <u>43,582</u> | <u>49,110</u> |

9. **Creditors** – amounts falling due within one year

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|-----------------------------------|----------------------|----------------------|
| Amounts due to group undertakings | 65,680 | 70,342 |
| Other creditors and accruals | <u>185</u> | <u>241</u> |
| | <u>65,865</u> | <u>70,583</u> |

Creditors - amounts falling due after more than one year

| | <u>2012</u> £'000 | <u>2011</u> £'000 |
|-----------------------|----------------------|----------------------|
| 11 5% Debenture 2016* | <u>15,000</u> | <u>15,000</u> |
| | <u>15,000</u> | <u>15,000</u> |

* Participation in 11 5% several debenture stock issued by Trustco Finance plc, which is guaranteed by the parent company, TR Property Investment Trust plc, by a floating charge over its assets

TR PROPERTY FINANCE LIMITED

NOTES TO THE ACCOUNTS

10 Called Up Share Capital

| | <u>2012</u> £'000 | <u>2011</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. Reserves

| | <u>Profit and</u> <u>loss</u> <u>account</u> £'000 | <u>Revaluation</u> <u>reserve</u> £'000 | <u>Total</u> £'000 |
|-----------------------------|---|---|-----------------------|
| At 1 April 2011 | (8,220) | (12,040) | (20,260) |
| Loss for the financial year | <u>(806)</u> | <u>-</u> | <u>(806)</u> |
| At 31 March 2011 | <u>(9,026)</u> | <u>(12,040)</u> | <u>(21,066)</u> |

12 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. 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, Ibex House, 42-47 Minories, London, EC3N 1DX

13 Related Party Transactions

The Company has taken advantage of the exemptions from disclosure of transactions with companies that are part of the TR Property Investment Trust plc group under the terms of Financial Reporting Standard 8.

14. Going Concern

As at 31 March 2012, the Company had net liabilities of £21,065,000 and is dependent on the continuing financial support of the TR Property Investment Trust plc group. A letter of support has been obtained from the ultimate parent company, TR Property Investment Trust plc, indicating its intention to provide financial support to the Company to meet all of its present and future obligations as and when they fall due to the extent the Company is unable to do so. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.