

# **Trenport Investments Limited**

(registered number: 1265480)

## **Report and Consolidated Financial Statements**

**For the year ended 31 December 2007**

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# **Trenport Investments Limited**

## **Directors' Report for the year ended 31 December 2007**

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2007

### **Principal activities and business review**

The Group owns a portfolio of agricultural, residential and commercial properties

The results for the year are set out on page 7. The Group made a loss of £3.3 million (2006: profit £3.2 million)

On 30 April 2007 the Group completed the acquisition of the freehold of Lawn House Close Car Park for £0.6 million

On 4 April 2008 Lawn House Car Park, the sole property asset of Telegraph Car Parks Limited, was sold for £8.5 million

In April 2007, the Group acquired development land comprising approximately 140 acres from Peugeot Citroën Automobiles UK Limited for a consideration in excess of £55 million. In November 2007 33 acres of this development land was sold to Ryton Properties Limited, a related party, for £17.9 million

The value of properties, including work in progress, owned by the Group is carried in the financial statements at their cost of £68.9 million (2006: £18.1 million). The Directors believe that the open market value of the properties is in the order of £105.1 million

### **Proposed dividend and transfers**

The loss of £3.3 million (2006: profit £3.2 million) has been transferred to reserves. The Directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006: NIL)

### **Future developments**

The Group has an ongoing strategy for the disposal of land which has little or no prospect of securing planning consent for development in the foreseeable future. It will also sell smaller sites from within the portfolio for development as and when approval is obtained from the respective planning authorities. In addition, the Group has a portfolio of larger sites with development potential. Planning applications are being progressed to secure consent for development with the intention that these sites will be sold but with the benefit of services installed to attract higher land values

# **Trenport Investments Limited**

## **Directors' Report for the year ended 31 December 2007 (continued)**

### **Directors**

The directors of the Company during the year ended 31 December 2007, were

Mr A S Barclay (Chairman)  
Mr D V Barclay (resigned 9 January 2007)  
Mr C Hall  
Mr D Horner  
Mr R K Mowatt  
Mr A J T Parson  
Mr P L Peters  
Mr M Seal

The Directors do not have any interest required to be disclosed under Schedule 7 of the Companies Act 1985

### **Employee involvement**

The Company and Group has continued to maintain its commitment to employee involvement throughout the business

Employees are kept well informed of the performance and objectives of the Company and Group through personal briefings, regular meetings and e-mail

### **Equal opportunities**

The Company and Group is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development, appraisal and promotion to retirement

It is the Company's and Group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit

The Company and Group is responsive to the needs of its employees, customers and the community at large and is an organisation that endeavours to use everyone's talents and abilities to the full

### **Creditor payment policy**

For all trade creditors, it is the Company's and Group's policy to

- agree the terms of payment at the start of business with that supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with its contractual and other legal obligations

# **Trenport Investments Limited**

## **Directors' Report for the year ended 31 December 2007 (continued)**

### **Statement of directors' responsibilities**

The following statement, which should be read in conjunction with the Auditors' Report regarding the respective responsibilities of Directors and Auditors, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the Accounts

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group, and of the profit or loss of the Company and Group for that period. In preparing those consolidated 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company and Group will continue in business

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group, 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 Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as the Directors are aware, there is no relevant audit information of which the Company's and Group's auditors are unaware and the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's and Group's auditors are aware of that information

### **Financial risk management**

The Group's activities expose it to a variety of financial risks, including liquidity risk and cash flow risk. The Group's overall financial risk management objective is to minimise its potential adverse effects on the financial performance of the Group

#### **(a) Liquidity risk**

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funding requirements for working capital. The Group has debt facilities that are designed to ensure it has sufficient available funds for operations and planned expansions

#### **(b) Interest rate cash flow risk**

The Group has interest bearing liabilities which consist of external loan commitments

# **Trenport Investments Limited**

## **Directors' Report for the year ended 31 December 2007 (continued)**

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP, as auditors will be proposed at the forthcoming Annual General Meeting

By Order of the Board  
For and on behalf of  
**BROOMFIELD SECRETARIAL SERVICES LIMITED**  
Company Secretary



**M Seal**  
**Director**  
**1 May 2008**

# **Trenport Investments Limited**

## **Independent Auditors' Report to the members of Trenport Investments Limited**

We have audited the group and parent company financial statements (the "financial statements") of Trenport Investments Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 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.

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 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.

### **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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

## **Trenport Investments Limited**

### **Independent Auditors' Report to the members of Trenport Investments Limited (continued)**

#### **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 group's and the parent company's affairs as at 31 December 2007 and of the group's loss 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



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
1 May 2008

# Trenport Investments Limited

## Consolidated profit and loss account for the year ended 31 December 2007

	<i>Note</i>	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Turnover</b>		<b>19,908</b>	<b>7,242</b>
<b>Cost of sales</b>		<b>(18,206)</b>	<b>(2,599)</b>
<b>Gross profit</b>		<b>1,702</b>	<b>4,643</b>
<b>Administration expenses</b>		<b>(1,059)</b>	<b>(877)</b>
<b>Profit on ordinary activities before finance charges and tax</b>	<b>2</b>	<b>643</b>	<b>3,766</b>
<b>Net interest and similar charges</b>	<b>5</b>	<b>(3,888)</b>	<b>(572)</b>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(3,245)</b>	<b>3,194</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>6</b>	<b>(50)</b>	<b>-</b>
<b>(Loss)/profit on ordinary activities after taxation</b>	<b>15</b>	<b>(3,295)</b>	<b>3,194</b>

All activities are classified as continuing

The Company and Group have no recognised gains or losses other than the (loss)/profit for this financial year. Accordingly a statement of total recognised gains and losses has not been prepared

There is no difference between the consolidated (loss)/profit for the year and its historical cost equivalent



# Trenport Investments Limited

## Consolidated balance sheet as at 31 December 2007

	Notes	2007		2006	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	7		5,829		4,703
<b>Current assets</b>					
Stocks	9	63,057		13,350	
Debtors amounts falling due after more than one year	11	-		5,669	
Debtors amounts falling due within one year	10	607		236	
Cash at bank		833		4,404	
			64,497		23,659
Creditors amounts falling due within one year	12		(2,471)		(1,083)
<b>Net current assets</b>			62,026		22,576
<b>Total assets less current liabilities</b>			67,855		27,279
Creditors amounts falling due after more than one year	12		(57,628)		(13,757)
<b>Net assets</b>			10,227		13,522
<b>Capital and reserves</b>					
Called up share capital	14		505		505
Profit and loss account	15		9,722		13,017
<b>Equity shareholders' funds</b>			10,227		13,522

The consolidated financial statements on pages 7 to 17 were approved by the board of directors on the 1 May 2008 and were signed on its behalf by



Director



Director

# Trenport Investments Limited

## Company balance sheet as at 31 December 2007

	Notes	2007		2006	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investment in subsidiaries	8		-		-
<b>Current assets</b>					
Stocks	9	50,413		4,563	
Debtors amounts falling due after more than one year	11	18,082		18,718	
Debtors amounts falling due within one year	10	418		216	
Cash at bank		813		4,404	
			69,726		27,901
Creditors amounts falling due within one year	12		(12,807)		(10,390)
<b>Net current assets</b>			56,919		17,511
<b>Total assets less current liabilities</b>			56,919		17,511
Creditors amounts falling due after more than one year	12		(57,628)		(13,757)
<b>Net (liabilities)/assets</b>			(709)		3,754
<b>Capital and reserves</b>					
Called up share capital	14		505		505
Profit and loss account	15		(1,214)		3,249
<b>Equity shareholders' (deficit)/equity</b>			(709)		3,754

The consolidated financial statements on pages 7 to 17 were approved by the board of directors on 1 May 2008 and were signed on its behalf by



Director



Director

# **Trenport Investments Limited**

## **Notes to the consolidated financial statements for the year ended 31 December 2007**

### **1 Principal accounting policies**

#### **Basis of accounting**

The consolidated financial statements have been prepared in accordance the Companies Act 1985 and with applicable accounting standards under the historical cost convention. The principal accounting policies, which have been applied consistently are set out below.

The Group is exempt from the requirement of Financial Reporting Standard No 1 to prepare a consolidated cash flow statement as it is a wholly owned subsidiary of Ellerman Investments Limited whose accounts are publicly available.

#### **Tangible fixed assets**

No depreciation is provided on freehold land. The Company now separates its properties into components where they have significantly different useful economic lives and depreciates each component as appropriate. Depreciation on all tangible fixed assets, other than land, has been provided on a straight line basis over the following periods as follows:

Plant and equipment	10 years
Freehold and short leasehold properties	Shorter of lease term and 50 years

Other leasehold premises are amortised over the remaining period of the lease or until the first review period if it is intended to terminate the lease at that stage.

#### **Investment in subsidiaries**

Investment in subsidiaries is stated at cost less provision for impairment.

#### **Taxation**

Corporation tax is provided on taxable profits at the standard rate of corporation tax in the United Kingdom of 30 percent (2006: 30 percent).

Deferred tax is accounted for on an undiscounted basis at tax rates enacted or substantially enacted at the balance sheet date on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

#### **Turnover**

Turnover, which excluded value added tax, represents sales of agricultural, residential and commercial land and buildings. Turnover is recognised on unconditional completion of contracts.

# Trenport Investments Limited

## Notes to the consolidated financial statements for the year ended 31 December 2007

### 1 Principal accounting policies (continued)

#### Stocks

Land held for development and construction work in progress is valued at the lower of cost and net realisable value. Other stock includes land and buildings held for resale and is valued at the lower of cost and net realisable value. Cost includes appropriate directly attributable overheads.

#### Financing costs

Arrangements and other issue costs incurred as a result of entering into loan and other facilities are deferred and expensed over the length of the related loan or facility.

### 2 Operating profit

	2007 £'000	2006 £'000
The operating profit is stated after charging		
Fees payable to the Company's auditor for the audit of the Company's subsidiaries, pursuant to legislation	18	16
Fees payable to the Company's auditor for the audit of the parent Company's and consolidated accounts	12	11
Depreciation	65	2
Director's emoluments (see note 3)	30	30
Staff costs (see note 4)	54	53

### 3 Directors' emoluments

Apart from one director, all other directors were paid by other group companies for their services to the group as a whole and no specific allocation of their remuneration has been made in respect of this Company.

### 4 Employee information

The average number of persons employed by the Company (including Executive Directors) during the period is analysed below.

	2007 £'000	2006 £'000
Administration	2	2
The aggregate payroll costs were as follows		
	2007 £'000	2006 £'000
Wages and salaries	49	47
Social security costs	5	6
	54	53

# Trenport Investments Limited

## Notes to the consolidated financial statements for the year ended 31 December 2007

### 5 Net interest and similar charges

	2007 £'000	2006 £'000
Interest payable on bank commitment	3,781	632
Amortisation of bank facility fees	216	-
	3,997	632
Bank interest receivable	(109)	(60)
	3,888	572

### 6 Taxation on ordinary activities

	2007 £'000	2006 £'000
UK corporation tax on (loss)/profits for the year	50	-

The tax assessed for the year is lower than the standard rate applied in the UK (30%). The differences are explained below

	2007 £'000	2006 £'000
(Loss) / profit on ordinary activities before tax	(3,245)	3,194
(Loss) / profit on ordinary activities multiplied by standard rate in the UK of 30% (2006 30%)	(975)	959
Effects of		
Expenses not deductible for tax purposes	31	-
Adjustments in respect of previous years	50	-
Losses carried forward	837	-
Group relief surrendered/(claimed)	107	(959)
Total current tax charge	50	-

# Trenport Investments Limited

## Notes to the consolidated financial statements for the year ended 31 December 2007

### 7 Tangible fixed assets

#### Group

	Freehold land & buildings £'000	Plant & equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2007	4,700	5	4,705
Additions	1,191	-	1,191
<b>At 31 December 2007</b>	<b>5,891</b>	<b>5</b>	<b>5,896</b>
<b>Depreciation</b>			
At 1 January 2007	2	-	2
Charge for the year	64	1	65
<b>At 31 December 2007</b>	<b>66</b>	<b>1</b>	<b>67</b>
<b>Net book value</b>			
<b>At 31 December 2007</b>	<b>5,825</b>	<b>4</b>	<b>5,829</b>
At 31 December 2006	4,698	5	4,703

#### Company

There are no tangible fixed assets held by the company at the end of the financial year (2006 Nil)

### 8 Investment in subsidiaries

#### Group

There are no investments held by the Group at the end of the financial year (2006 Nil)

#### Company

	2007 £'000	2006 £'000
<b>Cost</b>		
At 1 January and 31 December	-	-

During the year the Company acquired the whole of the share capital of Ryton Utilities Limited and Ryton Properties Limited, both companies incorporated in England and Wales. Ryton Properties Limited was subsequently sold to a related company.

Refer to note 18 for the principle investments held by the company.

# Trenport Investments Limited

## Notes to the consolidated financial statements for the year ended 31 December 2007

### 9 Stock

	Group 2007 £'000	2006 £'000	Company 2007 £'000	2006 £'000
Land held for development	54,476	9,808	47,884	4,151
Construction work in progress	8,523	3,484	1,940	354
Other stock held for resale	58	58	58	58
	<b>63,057</b>	<b>13,350</b>	<b>49,882</b>	<b>4,563</b>

### 10 Debtors: amounts falling due within one year

	Group 2007 £'000	2006 £'000	Company 2007 £'000	2006 £'000
Trade debtors	188	-	-	-
Other debtors	419	236	418	216
	<b>607</b>	<b>236</b>	<b>418</b>	<b>216</b>

### 11 Debtors: amounts falling due after more than one year

	Group 2007 £'000	2006 £'000	Company 2007 £'000	2006 £'000
Amount owed by parent undertaking	-	5,669	-	5,669
Amounts owed by subsidiaries	-	-	18,082	13,049
	<b>-</b>	<b>5,669</b>	<b>18,082</b>	<b>18,718</b>

The amounts owed by subsidiaries are interest free and have no fixed terms of repayment

## Trenport Investments Limited

### Notes to the consolidated financial statements for the year ended 31 December 2007

#### 12 Creditors: amounts falling due within one year

	Group 2007	2006	Company 2007	2006
Bank loan	1,368	-	1,368	-
Amount owed to fellow group undertaking	62	-	62	-
Amounts owed to fellow subsidiaries	-	-	10,534	9,316
Other creditors	848	755	810	755
Accruals and deferred income	193	328	33	319
	<b>2,471</b>	<b>1,083</b>	<b>12,807</b>	<b>10,390</b>

The bank loan is secured by a legal charge over the assets of the Company and its subsidiaries and bears a rate of interest of LIBOR plus 1.25% and is repayable in October 2008

Amounts owed to fellow group undertaking, and to fellow subsidiaries are interest free and have no fixed terms of repayment

#### Creditors: amounts falling due after more than one year

	Group 2007	2006	Company 2007	2006
Amount owed to holding company	1,550	-	1,550	-
Bank loans	56,078	13,757	56,078	13,757
	<b>57,628</b>	<b>13,757</b>	<b>57,628</b>	<b>13,757</b>

The bank loans are secured by legal charges over the assets of the Company and its subsidiaries and bears rates of interest of LIBOR plus 1.1% to 2.5% and are repayable in 2010

The amount owed to holding company is interest free and has no fixed terms of repayment

#### 13 Deferred tax

No deferred tax asset or liability has been recognised at 31 December 2007 (2006 £nil)

	2007 £'000	2006 £'000
<b>Analysis of unrecognised deferred tax assets</b>		
Capital losses	-	123



# Trenport Investments Limited

## Notes to the consolidated financial statements for the year ended 31 December 2007

### 14 Share capital

	2007 and 2006 £
<b>Authorised, allotted, called up and fully paid</b>	
500,000 ordinary shares of 1p each	5,000
500,000 deferred shares of £1 each	500,000
	<b>505,000</b>

The holders of ordinary shares are entitled to all distributable income. On the return of capital in a winding up or otherwise the surplus assets shall firstly be used to repay the nominal value of ordinary shares and then the nominal value of the deferred shares. Any surplus shall then be payable to the holders of ordinary shares.

The holders of deferred shares have no voting rights other than for the reduction of capital or if the Company is to be wound up or sold or if their existing rights or privileges are to be affected.

### 15 Profit and loss account

	Group £'000	Company £'000
At 1 January 2007	13,017	3,249
Loss for the financial year	(3,295)	(4,463)
<b>At 31 December 2007</b>	<b>9,722</b>	<b>(1,214)</b>

### 16 Reconciliation of movement in shareholders' funds

	Group £'000	Company £'000
Loss on ordinary activities after taxation	(3,295)	(4,463)
Opening shareholders' funds	13,522	3,754
<b>Closing shareholders' funds</b>	<b>10,227</b>	<b>(709)</b>

### 17 Related party transactions

The Company has taken advantage of the exemptions available in Financial Reporting Standard 8, "Related Party Transactions" not to disclose related party transactions and balances with wholly owned subsidiaries.

## Trenport Investments Limited

### Notes to the consolidated financial statements for the year ended 31 December 2007

#### 18 Principal subsidiaries

Name (all companies are registered in England and Wales)	Amount and description of shares held	Principal activity	% owned
Trenport (Peters Village) Limited	1 Ordinary share of £1 each	Property development	100
Trenport (East Hall Park) Limited	1 Ordinary share of £1 each	Property development	100
Telegraph Car Parks Limited	1 Ordinary share of £1 each	Property investment	100
Europower Networks Limited	1 Ordinary share of £1 each	Electricity supply	100
Ryton Utilities Limited	1 Ordinary share of £1 each	Sewage Plant	100

#### 19 Ultimate controlling party

The immediate holding company is Ellerman Investments Limited, a company incorporated in England and Wales which the directors regard as being ultimately controlled by the Trustees of the Sir David Barclay and Sir Frederick Barclay Family Settlements