

Company Registration Number:

2663561

**Report and Accounts**

TRUST UNION FINANCE (1991) PLC

31 March 2006



# TRUST UNION FINANCE (1991) PLC

## DIRECTORS' REPORT

Directors:

P L Salsbury  
Ms C M Burton  
J H M Newsum  
R A Stone  
P H Wolton  
C M Turner  
Miss J L Elliott  
M A Phayre-Mudge

Secretary: Henderson Secretarial Services Limited

Registered Office: 4 Broadgate, London EC2M 2DA

The directors present their report and the audited accounts for the year ended 31 March 2006.

### Business Review

The principal activity of the Company is that of an investment holding and finance company.

The Company will continue to act as an investment holding and finance company for TR Property Investment Trust plc and its subsidiaries.

The company's principle investment is a holding in New England Properties Limited, which is valued at cost. The Director's estimate of the value of that holding is in excess of the cost shown in the accounts.

The company has in issue 8.125% Debenture stock 2008 which is guaranteed by a floating charge over the assets of the parent company, TR Property Investment Trust plc.

The company's principle risk is the insolvency of its parent issuing the guarantee. TR Property Investment Trust has net assets in excess of £770m as at the Balance Sheet date and the Director's regard this as an extremely unlikely event.

### Dividend

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

### Directors and their Interests

The directors of the Company during the year ended 31 March 2006 were those listed above.

No director had any interests in the share capital of the Company. All directors, except C M Turner, Miss J L Elliott and M A Phayre-Mudge are directors of the parent undertaking, TR Property Investment Trust plc, and their interests in the parent undertaking's share capital are shown in that company's accounts.

# TRUST UNION FINANCE (1991) PLC

## **DIRECTORS' REPORT (cont.)**

### **Directors and their Interests (cont.)**

The interests of the directors who are not directors of TR Property Investment Trust plc in the share capital of TR Property Investment Trust plc, the ultimate holding company, at the beginning and at the end of the year are shown below:

	<b>Ordinary Shares of 25p</b>	
	1 April 2005	31 March 2006
C M Turner	304,526	304,526
J L Elliott	5,250	5,250
M A Phayre-Mudge	23,309	23,309

### **Creditor Payment Policy**

It is the Company's purchasing policy to get the best terms from suppliers. The Company agrees with its suppliers the terms on which business will take place and it abides by these terms.

### **Auditors**

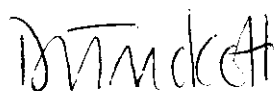
A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

### **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



D J Trickett  
For and on behalf of Henderson Secretarial Services Limited  
Secretary  
26 September 2006

## TRUST UNION FINANCE (1991) PLC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

## TRUST UNION FINANCE (1991) PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRUST UNION FINANCE (1991) PLC

We have audited the Company's financial statements for the year ended 31 March 2006 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of changes in Shareholders' Funds and the related notes 1 to 12. 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 financial statements in accordance with applicable 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, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

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.

#### **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.

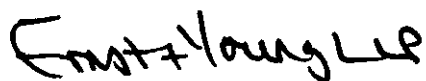
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## TRUST UNION FINANCE (1991) PLC

### **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 2006 and of its 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.



Ernst & Young LLP  
Registered Auditor  
London

26 September 2006

# TRUST UNION FINANCE (1991) PLC

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 2006

	<u>Note</u>	<u>2006</u> £'000	<u>2005</u> £'000
Administrative expenses	2	<u>(14)</u>	<u>(6)</u>
OPERATING LOSS		(14)	(6)
Interest payable and similar charges	3	<u>(2,046)</u>	<u>(2,033)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,060)	(2,039)
Taxation	4	<u>618</u>	<u>612</u>
LOSS FOR THE FINANCIAL YEAR	10	<u>(1,442)</u>	<u>(1,427)</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 results are in respect of continuing operations.

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

## TRUST UNION FINANCE (1991) PLC

### RECONCILIATION OF CHANGES IN SHAREHOLDERS' FUNDS for the year ended 31 March 2006

	<u>2006</u> £'000	<u>2005</u> £'000
Loss for the financial year and net reduction in shareholders' funds	(1,442)	(1,427)
Shareholders' deficit at 1 April	<u>(6,726)</u>	<u>(5,299)</u>
<b>Shareholders' deficit at 31 March</b>	<u><b>(8,168)</b></u>	<u><b>(6,726)</b></u>

### **HISTORICAL COST PROFITS AND LOSSES**

There are no differences between the amounts reported in the Profit and Loss Account and their historical cost equivalents.

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



# TRUST UNION FINANCE (1991) PLC

## BALANCE SHEET at 31 March 2006

	<u>Note</u>	<u>2006</u> £'000	<u>2005</u> £'000
FIXED ASSETS			
Investments	5	<u>13,163</u>	<u>13,163</u>
CURRENT ASSETS			
Debtors	6	4,321	5,747
CREDITORS - amounts falling due within one year	7	<u>(684)</u>	<u>(684)</u>
NET CURRENT ASSETS		<u>3,637</u>	<u>5,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,800	18,226
CREDITORS - amounts falling due after more than one year	7	(24,968)	<u>(24,952)</u>
TOTAL NET LIABILITIES		<u>(8,168)</u>	<u>(6,726)</u>
CAPITAL AND RESERVES			
Called up share capital	9	13	13
Other non distributable reserves		6,553	6,553
Profit and loss account deficit	10	<u>(14,734)</u>	<u>(13,292)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(8,168)</u>	<u>(6,726)</u>

These accounts were approved and authorised for issue by the Board on 26 September 2006.



Director

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

# TRUST UNION FINANCE (1991) PLC

## 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 applicable 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 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 Company is a wholly owned subsidiary of another UK company and has dispensed with the requirement to prepare group accounts as permitted by S228 Companies Act 1985.

#### **b Income Recognition**

Income and expenses are recognised on an accruals basis.

#### **c Investments**

Investments are stated at cost unless there has been an impairment in value in which case they are written down to net asset value.

#### **d 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 Debentures**

Finance costs which include any issue costs and premium/discount on issue are charged at a constant rate of interest on the outstanding amount of the debt (including interest), over the life of the debenture.

#### **f 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.

#### **g Financial Instruments**

Derivative instruments are not utilised by the Company. The Company has taken advantage of the exemption allowed under FRS25 and excluded short-term debtors and creditors from disclosures concerning financial instruments.

# TRUST UNION FINANCE (1991) PLC

## NOTES TO THE ACCOUNTS

### 2. Administrative Expenses

	<u>2006</u> £'000	<u>2005</u> £'000
Administrative expenses include:		
Auditors' remuneration:		
Audit fees	<u>6</u>	<u>1</u>

No amounts were payable by the Company or any third party in respect of the directors' services to the Company for the year (2005: £nil).

### 3. Interest Payable

	<u>2006</u> £'000	<u>2005</u> £'000
Finance costs on debentures falling due in 2 to 5 years	<u>2,046</u>	<u>2,033</u>

### 4. Taxation on Net Return on Ordinary Activities

#### **a Analysis of credit for the year**

	<u>2006</u> £'000	<u>2005</u> £'000
UK Corporation tax		
Group relief surrendered for payment	<u>618</u>	<u>612</u>

#### **b Factors affecting current tax credit for the year**

The tax assessed for the year is equal to the standard rate of corporate tax in the UK.

	<u>2006</u> £'000	<u>2005</u> £'000
Net loss on ordinary activities before taxation	<u>2,060</u>	<u>2,039</u>
Corporation tax at 30% and current tax credit for the year	<u>618</u>	<u>612</u>

# TRUST UNION FINANCE (1991) PLC

## NOTES TO THE ACCOUNTS

### 5. Fixed Asset Investments

£'000

Investment in subsidiary undertaking - at cost

At 31 March 2006 and 31 March 2005

13,163

The "Investment in subsidiary undertaking" is a holding of 70.23% of the ordinary shares in New England Properties Limited, a company registered and operating in England and Wales. The principal activities of New England Properties Limited are property investment, development, dealing and property management services. In the opinion of the directors, the aggregate value of shares in New England Properties Limited is not less than the aggregate amount stated in the balance sheet.

### 6. Debtors - amounts falling due within one year

2006

2005

£'000

£'000

Amounts due from group undertakings

4,321

5,747

### 7. Creditors - amounts falling due within one year

2006

2005

£'000

£'000

Debenture interest accrued

679

679

Accruals

5

5

684

684

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

2006

2005

£'000

£'000

8.125% Debenture Stock 2008:

At beginning of year

24,967

24,951

Amortisation of finance costs

1

1

At end of year

24,968

24,952

Debenture stocks and loans are redeemable as follows :

Between one and two years

-

-

Between two and five years

24,968

24,952

After five years

-

-

The 8.125% debenture stock 2008 is guaranteed by a floating charge over the assets of the parent company, TR Property Investment Trust plc. The market value of this debenture at 31 March 2006 was £26,849,000.

# TRUST UNION FINANCE (1991) PLC

## NOTES TO THE ACCOUNTS

### 8. Derivatives and other financial instruments

The Company's financial instruments are all in sterling and comprise:

- Equity shares in subsidiary undertakings (see Note 5).
- Debenture stock, carrying a fixed rate of interest, issued to finance the Group's investing activities.
- Short term debtors and creditors that arise directly from its operations (specifically debenture interest and amounts due to or from group undertakings).

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments nor use of derivatives shall be undertaken. The Company has no exposure to market price or foreign currency risks. The Company is exposed to the risk of fluctuation in the value of its unquoted investments. The Company's investments consist solely of equity investments in subsidiaries, which are not traded on any market. These factors are taken into account by the directors when arriving at the valuation.

Interest rate exposures at 31 March were as follows:

	<u>2006</u> £'000	<u>2005</u> £'000
Non-interest bearing financial assets	<u>13,163</u>	<u>13,163</u>
Fixed rate financial liabilities	<u>24,967</u>	<u>24,951</u>

### 9. Called Up Share Capital

	<u>2006</u> £	<u>2005</u> £
Authorised: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and partly paid 50,000 ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>

### 10. Profit and Loss Account

	£'000
At 1 April 2005	(13,292)
Loss for the year	<u>(1,442)</u>
At 31 March 2006	<u>(14,734)</u>

## TRUST UNION FINANCE (1991) PLC

### NOTES TO THE ACCOUNTS

11. **Employees**

The Company had no employees during the year (2005: nil).

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, 4 Broadgate, London EC2M 2DA.