

Company Registration Number :

2663561

Report and Accounts

TRUST UNION FINANCE (1991) PLC

31 March 2005



TRUST UNION FINANCE (1991) PLC

DIRECTORS' REPORT

Directors : A Ross Goobey (Chairman; resigned 26 July 2004)
 P L Salsbury (Chairman; from 26 July 2004)
 Ms C M Burton
 J H M Newsum
 R A Stone
 P H Wolton (appointed 31 January 2005)
 C M Turner
 Miss J L Elliott (resigned 30 September 2004;
 reappointed 31 January 2005)
 P J Bushnell (resigned 30 September 2004)
 M A Phayre-Mudge (appointed 30 September 2004)

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 2005.

Principal Activities

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

Future Prospects

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

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 2005 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:

	Ordinary Shares of 25p	
	1 April 2004	31 March 2005
C M Turner	296,026	304,526
J L Elliott	5,250	5,250
M A Phayre-Mudge	15,186	23,309
J F K Wilkinson	-	2,578

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.

By order of the board



J S Ellman-Brown
For and on behalf of Henderson Secretarial Services Limited
Secretary

19 July 2005

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 2005 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of 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

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company 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 United Kingdom Auditing Standards 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 of the state of affairs of the Company as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

19 July 2005

TRUST UNION FINANCE (1991) PLC

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2005

	<u>Note</u>	<u>2005</u> £'000	<u>2004</u> £'000
Administrative expenses	2	<u>(6)</u>	<u>(12)</u>
OPERATING LOSS		(6)	(12)
Interest payable and similar charges	3	<u>(2,033)</u>	<u>(2,038)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,039)	(2,050)
Taxation	4	<u>612</u>	<u>615</u>
LOSS FOR THE FINANCIAL YEAR	10	<u>(1,427)</u>	<u>(1,435)</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.

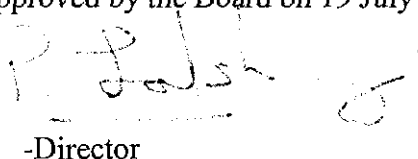
The notes on pages 9 to 13 form part of these accounts.

TRUST UNION FINANCE (1991) PLC

BALANCE SHEET at 31 March 2005

	<u>Note</u>	<u>2005</u> £'000	<u>2004</u> £'000
FIXED ASSETS			
Investments	5	<u>13,163</u>	<u>13,163</u>
CURRENT ASSETS			
Debtors	6	5,747	7,173
CREDITORS - amounts falling due within one year	7	<u>(684)</u>	<u>(684)</u>
NET CURRENT ASSETS		<u>5,063</u>	<u>6,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,226	19,652
CREDITORS - amounts falling due after more than one year	7	<u>(24,952)</u>	<u>(24,951)</u>
TOTAL NET LIABILITIES		<u>(6,726)</u>	<u>(5,299)</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>(13,292)</u>	<u>(11,865)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(6,726)</u>	<u>(5,299)</u>

These accounts were approved by the Board on 19 July 2005.



-Director

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

TRUST UNION FINANCE (1991) PLC

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 31 March 2005

	<u>2005</u> £'000	<u>2004</u> £'000
Loss for the financial year and net reduction in shareholders' funds	(1,427)	(1,435)
Shareholders' deficit at 1 April	<u>(5,299)</u>	<u>(3,864)</u>
Shareholders' deficit at 31 March	<u>(6,726)</u>	<u>(5,299)</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

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 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 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 FRS13 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>2005</u> £'000	<u>2004</u> £'000
Administrative expenses include:		
Auditors' remuneration:		
Audit fees	1	2

No amounts were payable by the Company or any third party in respect of the directors' services to the Company for the year (2004: £nil).

3. Interest Payable

	<u>2005</u> £'000	<u>2004</u> £'000
Finance costs on debentures falling due after more than 5 years	<u>2,033</u>	<u>2,038</u>

4. Taxation on Net Return on Ordinary Activities

a Analysis of credit for the year

	<u>2005</u> £'000	<u>2004</u> £'000
UK Corporation tax		
Group relief surrendered for payment	<u>612</u>	<u>615</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>2005</u> £'000	<u>2004</u> £'000
Net loss on ordinary activities before taxation	<u>2,039</u>	<u>2,050</u>
Corporation tax at 30% and current tax credit for the year	<u>612</u>	<u>615</u>

TRUST UNION FINANCE (1991) PLC

NOTES TO THE ACCOUNTS

5. Fixed Asset Investments

£'000

Investment in subsidiary undertaking - at cost
At 31 March 2005 and 31 March 2004

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

2005
£'000

2004
£'000

Amounts due from group undertakings

5,747

7,173

7. Creditors - amounts falling due within one year

2005
£'000

2004
£'000

Debenture interest accrued
Accruals

679

679

5

5

684

684

Creditors - amounts falling due after more than one year

£'000

£'000

8.125% Debenture Stock 2008:

At 1 April 2004

24,951

24,944

Amortisation of finance costs

1

7

At 31 March 2005

24,952

24,951

Debenture stocks and loans are redeemable as follows :

Between one and two years

-

-

Between two and five years

24,952

24,951

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 2005 was £26,998,000.

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, taxation payable 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>2005</u> £'000	<u>2004</u> £'000
Non-interest bearing financial assets	<u>13,163</u>	<u>13,163</u>
Fixed rate financial liabilities	<u>24,951</u>	<u>24,951</u>

9. Called Up Share Capital

	<u>2005</u> £	<u>2004</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 2004	(11,865)
Accumulated loss for the year	<u>(1,427)</u>
At 31 March 2005	<u>(13,292)</u>

TRUST UNION FINANCE (1991) PLC

NOTES TO THE ACCOUNTS

11. Employees

The Company had no employees during the year (2004 nil).

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, 4 Broadgate, London EC2M 2DA.