

TRICOMM HOUSING (HOLDINGS) LIMITED

STATUTORY ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2007

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TRICOMM HOUSING (HOLDINGS) LIMITED
REPORT OF THE DIRECTORS

- 1 The directors submit their report together with the audited financial statements of the company, for the year ended 31 December 2007. The comparative period is for the 14 months to 31 December 2006.

2 **ACTIVITIES AND FUTURE PROSPECTS**

The company is the non-trading holding company for Tricomm Housing Limited, which comprises a residential property portfolio leased to the Ministry of Defence under the terms of a long term project agreement expiring in 2028. The project agreement obliges the company to provide (or procure the provision of) facilities management services to the tenant. The tenant pays an occupancy charge which includes the costs of facilities management pursuant to a life cycle maintenance programme. The company employs a facilities manager to execute the maintenance programme.

The value of the company's assets is subject principally to fluctuations in the value of vacant residential property in the UK and to long term interest rates.

Real estate investments are relatively illiquid which may limit the ability to sell the company's assets although these can be sold either as an investment or on expiry of the occupational lease, individually into the owner occupied market.

If the facilities management services are not provided to the tenant in compliance with the terms of the contract, the tenant is entitled to make deductions from the payments that would otherwise become due to the company. In those circumstances and where the company is unable to control its operational expenses, net income received by the company can be adversely affected.

The directors are confident that the company will continue to develop successfully for the foreseeable future.

3 **DIVIDEND**

The directors did not pay a dividend in respect of the year (period from 1 November 2005 to 31 December 2006 £Nil).

4 **DIRECTORS**

The directors of the company who held office during the year and to date are as follows:

	Appointed	Resigned
G E Eastaugh	31 May 2007	
P J Gadsden	31 May 2007	
D K Gateley		31 May 2007
R J Hodge		31 May 2007
N Milner	31 May 2007	10 April 2008
D McFadzean		31 May 2007
G C Payne		31 May 2007
J Spencer-Jones	31 May 2007	10 April 2008
Mark Lawson	10 April 2008	

In accordance with the company's Articles of Association, none of its directors are required to retire. None of the directors has or had during the year, a material interest in any contracts of significance to which the company or any other group company is or was a party.

TRICOMM HOUSING (HOLDINGS) LIMITED
REPORT OF THE DIRECTORS

5 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period.

In preparing those 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications if necessary.

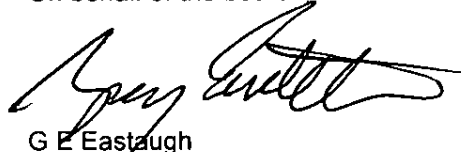
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

6 AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Each director, as at the date of this report, has confirmed that, so far as they are aware, there is no relevant audit information of which the company's auditors are individually unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors have relied upon the provisions of Section 386 of the Companies Act 1985 and have resolved not to appoint auditors annually.

On behalf of the board



G E Eastaugh
Director

24 September 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRICOMM HOUSING (HOLDINGS) LIMITED

We have audited the financial statements of Tricomm Housing (Holdings) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 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 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 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 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result 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.


KPMG LLP
Chartered Accountants London
Registered Auditor
24 September 2008

TRICOMM HOUSING (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	Year ended 31.12.07 £	14 month period ended 31.10.06 £
Turnover		-	-
Operating profit	2	-	-
Interest payable and similar charges	3	(1,012,000)	(1,181,129)
Interest receivable		1,012,000	1,181,129
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the year/period		-	-

All activities are continuing

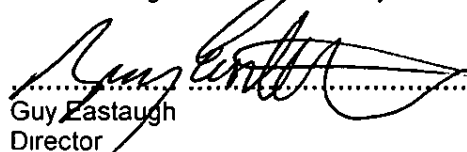
There is no difference between the profit on ordinary activities before taxation and the profit for the year/period stated above and their historic cost equivalents

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

TRICOMM HOUSING (HOLDINGS) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2007

	<u>Notes</u>	<u>31.12.07</u> £	<u>31.12.06</u> £
<u>Fixed assets</u>			
Investments	4	199,998	199,998
<u>Current assets</u>			
Debtors - amounts falling due within one year	5	169,129	169,129
Debtors - amounts falling due after more than one year	5	<u>9,200,000</u>	<u>9,200,000</u>
		9,369,129	9,369,129
<u>Current liabilities</u>			
Creditors – amounts falling due within one year	6	<u>(169,129)</u>	<u>(169,129)</u>
Net current assets		9,200,000	9,200,000
Total assets less current liabilities		9,399,998	9,399,998
Creditors amounts falling due after more than one year	6	<u>(9,200,000)</u>	<u>(9,200,000)</u>
Net assets		<u>199,998</u>	<u>199,998</u>
<u>Capital & reserves</u>			
Called-up share capital	7	<u>199,998</u>	<u>199,998</u>
Equity shareholders' funds		<u>199,998</u>	<u>199,998</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 24 September 2008 and signed on its behalf by



 Guy Zastaugh
 Director

The notes on pages 6 to 8 form part of these financial statements

TRICOMM HOUSING (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2007

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important company accounting policies, which have been consistently applied, are set out below.

(a) BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The company is exempt from preparing group accounts under section 228 of the Companies Act 1985 due to the ultimate parent company, Invista Castle Limited, preparing group accounts of which the company is a member.

The financial statements present information about the undertaking as an individual undertaking and not about its group.

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its published consolidated financial statements.

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with the Invista Castle group and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Invista Castle Limited.

(b) INVESTMENTS

Investments are stated at cost less provision for any diminution in value.

2 OPERATING PROFIT

None of the directors received any remuneration as directors from the company during the year or during the previous period. The company had no directly employed personnel during the year or during the previous period.

Auditors' remuneration and all other administrative expenses are paid by Tricomm Housing Limited, the company's subsidiary.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year ended</u> <u>31 12 07</u> £	<u>14 month period ended</u> <u>31 12 06</u> £
Interest payable on loans to parent company	1,012,000	1,181,129

TRICOMM HOUSING (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2007

4 INVESTMENTS

The following unlisted investment is held, which is incorporated in the UK and invests or operates PFI concessions

Name	Shareholding	Accounting reference date	Capital & Reserves £	Profits for the year £
Tricomm Housing Limited	100%	31 Dec 07	4,045,965	680,802

5 DEBTORS

	<u>31 12 07</u> £	<u>31 12 06</u> £
Amounts falling due within one year	169,129	169,129
Amounts falling due after one year	9,200,000	9,200,000
Total debtors	<u>9,369,129</u>	<u>9,369,129</u>

The amounts falling due after one year relate to loans repayable from Tricomm Housing Limited on 31 October 2028 and interest is charged at 11.00% per annum. The amounts falling due within one year is interest accrued on these loans.

6 CREDITORS

	<u>31 12 07</u> £	<u>31 12 06</u> £
Amounts falling due within one year	169,129	169,129
Amounts falling due after one year	9,200,000	9,200,000
Total creditors	<u>9,369,129</u>	<u>9,369,129</u>

The amounts falling due after one year relate to loans repayable to H I Tricomm Holdings Limited on 31 October 2028 and interest is charged at 11.00% per annum. The amounts falling due within one year is interest accrued on these loans.

7 CALLED UP SHARE CAPITAL

	<u>31 12 07</u>		<u>31 12 06</u>	
	£ <u>Authorised</u>	£ <u>Issued</u>	£ <u>Authorised</u>	£ <u>Issued</u>
"A" type ordinary shares of £1 each	166,665	66,666	166,665	66,666
"B" type ordinary shares of £1 each	166,665	66,666	166,665	66,666
"C" type ordinary shares of £1 each	166,665	66,666	166,665	66,666
	<u>499,995</u>	<u>199,998</u>	<u>499,995</u>	<u>199,998</u>

Two thirds of the issued share capital is owned by H I Tricomm Holdings Limited and one third by Infrastructure Investors Defence Housing (Bristol) Limited. All share capital ranks pari passu in all respects.

TRICOMM HOUSING (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2007

8 ULTIMATE PARENT UNDERTAKING

In the opinion of the directors, the ultimate controlling party is Invista Castle Limited, a company registered in England, which is the only company in the group that prepares consolidated accounts. These accounts are available to the public.

The immediate parent company is H I Tricomm Holdings Limited, a company registered in England and Wales.