

TRICOMM HOUSING (HOLDINGS) LIMITED

STATUTORY ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2008



TRICOM, HOUSING (HOLDINGS) LIMITED

CONTENTS

	Pages
Director's Report	2 - 3
Independent Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 9

TRICOMM HOUSING (HOLDINGS) LIMITED
DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

1. The directors present their report and audited financial statements for the year ended 31 December 2008.

2. **REVIEW OF ACTIVITIES**

The company is the non-trading holding company for Tricomm Housing Limited, which comprises a residential property portfolio leased to the Secretary of State for 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.

3. **RESULTS AND DIVIDEND**

The trading results for the year are as shown in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend for the year ended 31 December 2008 (2007: £nil).

4. **DIRECTORS**

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

G E Eastaugh
P J Gadsden
N Milner (resigned 10 April 2008)
J Spencer-Jones (resigned 10 April 2008)
M Lawson (appointed 10 April 2008)

5. **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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;
- 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 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

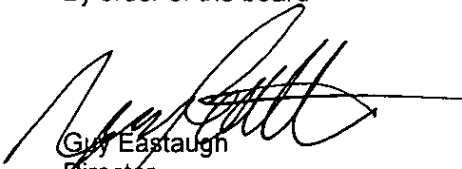
responsibility for taking steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

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 have 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.

During the year, KPMG LLP resigned as auditors and KPMG Audit Plc was appointed. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



Guy Eastaugh
Director
8 July 2009

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 2008 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 and 3.

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 2008 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 Audit Plc
Chartered Accountants
Registered Auditor



London
8 July 2009

TRICOMM HOUSING (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	Year ended 31.12.08 £	Year ended 31.12.07 £
Turnover		-	-
Operating profit	2	-	-
Interest payable and similar charges	3	(1,014,772)	(1,012,000)
Interest receivable		1,014,772	1,012,000
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year		-	-

All activities are continuing.

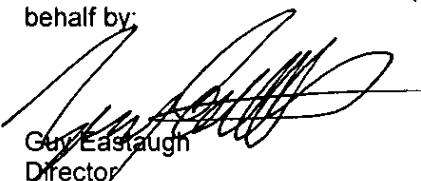
There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historic cost equivalents.

The company has no recognised gains and losses other than the result 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 2008

	<u>Notes</u>	31.12.08 £	31.12.07 £
<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 were approved by the board of directors on 8 July 2009 and signed on its behalf by:


 Guy Eastaugh
 Director

The notes on pages 7 to 9 form part of these financial statements.

TRICOMM HOUSING (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, and 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 intermediate parent company, Invista Castle Limited, preparing group accounts which include the company. 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 group headed by Invista Castle Limited 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

Auditors' remuneration is paid by Tricomm Housing Limited and is disclosed in the accounts of that Company. The audit fee incurred for these financial statements was £1,000 (2007: £1,000). There were no other fees payable to the auditors.

The directors did not receive any remuneration and there were no employees during the year (2007: Nil).

3. Interest payable and similar charges

	Year ended 31.12.08 £	Year ended 31.12.07 £
Interest payable on loans to parent company	1,014,772	1,012,000

4. Investments

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

Name	Shareholding	Accounting reference date	Capital & Reserves £	Profits for the year £
Tricomm Housing Limited	100%	31 Dec 08	5,462,163	1,416,198

5. Debtors

	31.12.08 £	31.12.07 £
Amounts falling due within one year	169,129	169,129
Amounts falling due after more than 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

	31.12.08 £	31.12.07 £
Amounts falling due within one year	169,129	169,129
Amounts falling due after more than 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 Invista Castle 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

	31.12.08		31.12.07	
	£ <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.

8. Ultimate parent undertaking

The company is a subsidiary undertaking of Invista Real Estate Investment Management Holdings plc which is incorporated in England and Wales. The smallest group in which the results of the company are consolidated is that headed by Invista Castle Limited. The consolidated financial statements of these groups may be obtained from its registered office at Exchequer Court, 33 St Mary Axe, London, EC3A 8AA. The immediate parent company is HI Tricomm Holdings Limited, a company registered in England and Wales.

From 16 January 2009 the Company's ultimate parent undertaking and controlling party is Lloyds Banking Group plc (formerly Lloyds TSB Group plc) which is incorporated in Scotland. Lloyds Banking Group plc will produce consolidated financial statements for the year ended 31 December 2009. Copies of the annual report and accounts of Lloyds TSB Group plc for the year ended 31 December 2008 may be obtained from Lloyds Banking Group's head office at 25 Gresham Street, London EC2V 7HN.

Prior to 16 January 2009 HBOS plc was the Company's ultimate parent undertaking. Copies of the annual report and accounts of HBOS plc for the year ended 31 December 2008 may be obtained from HBOS plc's registered office at The Mound, Edinburgh, EH1 1YZ.