

**TROSTRE RETAIL LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2010**

WEDNESDAY



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**REPORT AND FINANCIAL STATEMENTS 2010  
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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J G Kennedy  
I G Seddon

**SECRETARY**

I G Seddon

**REGISTERED OFFICE**

78 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2EF

**BANKERS**

Allied Irish Bank (GB)  
St James House  
Charlotte Street  
Manchester  
M1 4DZ

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 March 2010. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

## **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is property investment. In June 2008, the company purchased a retail park in Bolton which it currently leases to retailers.

## **RESULTS, DIVIDENDS AND TRANSFERS FROM/TO RESERVES**

The results of the company for the year are set out on page 5. No dividends were paid during the year (2009 - £nil) and the profit after tax was £46,672 (2009 - loss of £332,086) and has been transferred to (2009 - from) reserves.

## **GOING CONCERN**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statement.

## **DIRECTORS**

The directors who served during the year and thereafter are shown on page 1.

## **DIRECTORS' STATEMENT ON INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that

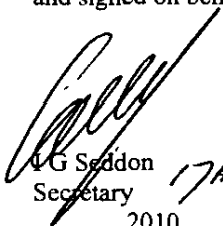
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **AUDITORS**

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
G. Seddon  
Secretary

2010

17th December 2010

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TROSTRE RETAIL LIMITED**

We have audited the financial statements of Trostre Retail Limited for the year ended 31 March 2010 which comprise of the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

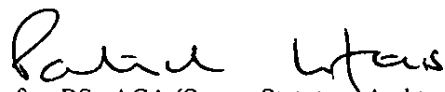
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Patrick Loftus BSc ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, United Kingdom

2010

17 December

# TROSTRE RETAIL LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>	1	1,059,377	729,517
Administrative expenses		(41,552)	(564,359)
<b>OPERATING PROFIT</b>		1,017,825	165,158
Profit on disposal of investment property		-	24,007
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		1,017,825	189,165
Interest payable and similar charges	4	(971,427)	(629,992)
Interest receivable and similar income	5	274	108,741
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	46,672	(332,086)
Tax charge on profit/(loss) on ordinary activities	6	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	14,15	46,672	(332,086)

The above results relate to continuing operations

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 March 2010

	2010 £	2009 £
Profit/(loss) for the financial year	46,672	(332,086)
Unrealised loss on revaluation of investment property	(1,810,746)	-
<b>Total recognised gains and losses for the year</b>	<b>(1,764,074)</b>	<b>(332,086)</b>

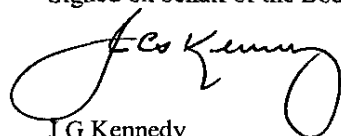
# TROSTRE RETAIL LIMITED

## BALANCE SHEET As at 31 March 2010

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Investment property	7		13,200,000		15,010,746
Investments	8		36,158		36,158
			<u>13,236,158</u>		<u>15,046,904</u>
<b>CURRENT ASSETS</b>					
Debtors	9	264,237		81,760	
Cash at bank and in hand		<u>1,198,714</u>		<u>1,236,850</u>	
		1,462,951		1,318,610	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(9,514,431)</u>		<u>(9,281,137)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(8,051,480)</u>		<u>(7,962,527)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,184,678		7,084,377
<b>CREDITORS: amounts falling due after more than one year</b>	11		<u>(11,918,337)</u>		<u>(12,053,962)</u>
<b>NET LIABILITIES</b>			<u>(6,733,659)</u>		<u>(4,969,585)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		100		100
Profit and loss account	14		(4,923,013)		(4,969,685)
Revaluation reserve	14		<u>(1,810,746)</u>		<u>-</u>
<b>SHAREHOLDERS' DEFICIT</b>	15		<u>(6,733,659)</u>		<u>(4,969,585)</u>

The financial statements of Trostre Retail Limited, registered number 4339316, were approved by the board of directors and authorised for issued on 17 December 2010

Signed on behalf of the Board of Directors



J G Kennedy  
Director



## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2010

#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted are described below. They have been applied consistently throughout the year and the preceding year.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards.

##### **Going concern**

The company has net liabilities as at 31 March 2010 and is reliant on its parent company, PJKI Limited, to be able to meet its liabilities as they fall due. The current economic conditions create uncertainty particularly over the level of demand for the company's rental properties. However, the directors have reviewed the company's forecasts and projections, taking into account possible changes in trading performance and have obtained confirmation of financial support from its parent company.

After making such enquiries, the directors have a reasonable expectation that the company has adequate resources available to continue in operation for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Cash flow statement**

The company has taken advantage of the exemption contained in FRS 1 (Revised) – "Cash Flow Statements" in not producing a cash flow statement as its cash flows are included in the consolidated cash flow statement of its parent company, PJKI Limited.

##### **Turnover**

Turnover represents rental income and service charges made to tenants, recognised evenly over the lease period and arises in the United Kingdom.

##### **Taxation**

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2010**

**1. ACCOUNTING POLICIES (continued)**

**Investment properties**

Investment properties are revalued annually by the directors and at least every five years by an external valuer. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit or loss account.

Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 Accounting for investment properties. The effect of the departure from statutory accounting rules is not material.

**Investments**

Investments in subsidiaries are stated at cost. Provision is made for any impairment. Group accounts are not produced as the company is itself a subsidiary of an entity which produces consolidated accounts.

**Related party transactions**

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" in not disclosing details of transactions with other group companies as it is a 100% subsidiary.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Other than the directors there were no employees. The directors received no emoluments during the current and preceding year from this company.

**3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit of the company's annual accounts	3,815	3,815

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Interest due on overdue tax	135,000	300,000
Bank loan interest	836,427	329,992
	<u>971,427</u>	<u>629,992</u>

**5. INTEREST RECEIVABLE**

	2010 £	2009 £
Bank interest receivable	274	17,359
Other interest receivable	-	91,382
	<u>274</u>	<u>108,741</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2010**

**6. TAX CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2010 £	2009 £
United Kingdom corporation tax	-	-
Deferred tax charge	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The tax charge assessed for the year is lower (2009 higher) than that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation	46,672	(332,086)
UK corporation tax at 28% (2009 - 28%)	(13,068)	92,984
Group relief surrendered for nil payment	35,133	(92,984)
Other timing differences	(37,800)	-
Utilisation of surplus losses	15,735	-
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

**7. INVESTMENT PROPERTY**

	Investment property £
<b>Valuation</b>	
At 1 April 2009	15,010,746
Revaluation loss	(1,810,746)
	<u>-</u>
At 31 March 2010	<u>13,200,000</u>

The investment property was purchased in June 2008. It was professionally valued by Jones Lang LaSalle Limited, Chartered Surveyors on an open market basis at 31 March 2010.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2010**

**8 INVESTMENTS**

**Shares in  
subsidiary  
£**

**Cost and valuation**

At 1 April 2009 and 31 March 2010

36,158

The company owns 65% of the ordinary issued share capital of Trostre Investments (Unlimited), a company registered in England and Wales, whose principal activity is investment. At 31 March 2010, the net assets of Trostre Investments were £62,121 (2009 - £62,711).

During 2004, Trostre Investments declared and paid a dividend in specie of a capital redemption policy to the company of £14,999,391. As a result, the net assets of Trostre Investments were reduced permanently and therefore a provision of £15,764,207 was made to reduce the carrying value of the investment to the company's share of the net assets.

The company has taken advantage of section 400 of the Companies Act 2006 in not preparing consolidated financial statements as it is itself a subsidiary undertaking of an entity which produces consolidated financial statements.

**9. DEBTORS**

	<b>2010 £</b>	<b>2009 £</b>
Amounts due from group undertakings	71,657	71,657
Other debtors	192,580	10,103
	<u>264,237</u>	<u>81,760</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2010 £</b>	<b>2009 £</b>
Bank loans (note 11)	135,625	151,712
Trade creditors	115,506	46
Amounts due to group undertaking	1,667,676	1,667,661
Corporation tax	5,779,872	5,779,872
Other creditors	12,711	16,091
Accruals and deferred income	1,803,041	1,665,755
	<u>9,514,431</u>	<u>9,281,137</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2010**

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank loan	11,918,337	12,053,962

The maturity of the bank loan is secured as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Due within one and two years	131,333	135,625
Due between two and five years	452,383	583,716
Due after more than five years	11,334,621	11,334,621
	<u>11,918,337</u>	<u>12,053,962</u>
Due within one year	135,625	151,712
	<u>12,053,962</u>	<u>12,205,694</u>

The loan is secured on the investment property

**12 PROVISIONS FOR LIABILITIES**

There is no deferred tax provided or unprovided in the company

**13. CALLED UP SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Called up, allotted and fully paid</b>		
95 'A' ordinary shares of £1 each	95	95
5 'B' ordinary shares of £1 each	5	5
	<u>100</u>	<u>100</u>

The shares rank pari passu in all respects

**14. RESERVES**

	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 1 April 2009	-	(4,969,685)
Profit for the financial year	-	46,672
Revaluation deficit	<u>(1,810,746)</u>	<u>-</u>
At 31 March 2010	<u>(1,810,746)</u>	<u>(4,923,013)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2010**

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2010 £	2009 £
Profit/(loss) for the financial year	46,672	(332,086)
Revaluation deficit	(1,810,746)	-
Reduction in shareholders' deficit	(1,764,074)	(332,086)
Opening shareholders' deficit	(4,969,585)	(4,637,499)
Closing shareholders' deficit	<u>(6,733,659)</u>	<u>(4,969,585)</u>

**16. ULTIMATE PARENT COMPANY**

The immediate parent company is PJKI Limited, a company incorporated and registered in England and Wales, and P J Kennedy Investments Limited, a company registered and incorporated in the Isle of Man, is the ultimate holding company

The smallest and largest group in which the accounts of the company are included are those of PJKI Limited

A copy of its accounts are available from Companies House, Cardiff

The issued share capital of P J Kennedy Investments Limited is held in trusts for members of the family of Mr P J Kennedy and Mr J G Kennedy, who are considered to be the controlling parties