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Report of the Directors and
Financial Statements for the Year Ended 31 January 2004
for
Spincrest Limited

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Spincrest Limited

Company Information
for the Year Ended 31 January 2004

DIRECTORS: L J P Trevellyan
Mrs A H Trevellyan

SECRETARY: L J P Trevellyan

REGISTERED OFFICE: Greenhills Management Estate Office
Greenhills Estate
Tilford Road
Tilford
Surrey
GU10 2DZ

REGISTERED NUMBER: 01467107 (England and Wales)

AUDITORS: Cooper Dawn Jerrom Limited
Effra House
34 High Street
Ewell
Surrey
KT17 1RW

Spincrest Limited

Report of the Directors
for the Year Ended 31 January 2004

The directors present their report with the financial statements of the company for the year ended 31 January 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of investment in freehold properties

DIRECTORS

The directors during the year under review were:

L J P Trevellyan
Mrs A H Trevellyan

The beneficial interests of the directors holding office on 31 January 2004 in the issued share capital of the company were as follows:

	31.1.04	1.2.03
Ordinary £1 shares		
L J P Trevellyan	1	1
Mrs A H Trevellyan	-	-

The Directors are also Directors of the company's parent undertaking Trevellyan Developments Limited which owns 100% of the share capital of this company. Their interest in that company's share capital may be seen in its Directors' Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

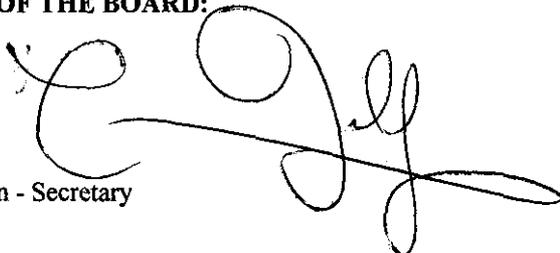
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Cooper Dawn Jerrom Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



L J P Trevellyan - Secretary

30 November 2004

**Report of the Independent Auditors to the Shareholders of
Spincrest Limited**

We have audited the financial statements of Spincrest Limited for the year ended 31 January 2004 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cooper Dawn Jerrom Limited
Effra House
34 High Street
Ewell
Surrey
KT17 1RW

30 November 2004

Spincrest Limited

Profit and Loss Account
for the Year Ended 31 January 2004

	Notes	Year Ended 31.1.04 £	Period 1.8.01 to 31.1.03 £
TURNOVER		466,285	787,738
Administrative expenses		175,319	216,194
		<u>290,966</u>	<u>571,544</u>
Other operating income		63,519	96,759
OPERATING PROFIT	2	354,485	668,303
Profit/loss on sale of invest		121,755	47,275
		<u>476,240</u>	<u>715,578</u>
Interest receivable and similar income		376	773
		<u>476,616</u>	<u>716,351</u>
Interest payable and similar charges		210,635	314,411
		<u>265,981</u>	<u>401,940</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		265,981	401,940
Tax on profit on ordinary activities	3	18,325	32,299
		<u>247,656</u>	<u>369,641</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		247,656	369,641
RETAINED PROFIT FOR THE YEAR		<u>247,656</u>	<u>369,641</u>

The notes form part of these financial statements

Spincrest Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 January 2004

	Year Ended 31.1.04 £	Period 1.8.01 to 31.1.03 £
PROFIT FOR THE FINANCIAL YEAR	247,656	369,641
Revaluation of fixed asset investments	6,733,208	-
Realised transfer to profit and loss	(38,142)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>6,942,722</u>	<u>369,641</u>

The notes form part of these financial statements

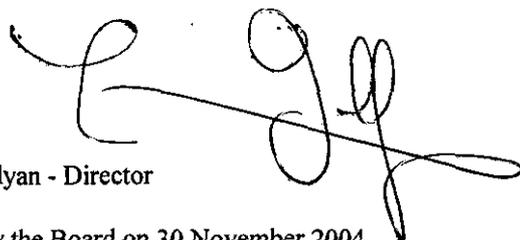
Spincrest Limited

Balance Sheet
31 January 2004

	Notes	31.1.04 £	£	31.1.03 £	£
FIXED ASSETS					
Tangible assets	4		18,750		-
Investments	5		17,065,072		9,527,596
			<u>17,083,822</u>		<u>9,527,596</u>
CURRENT ASSETS					
Debtors	6	258,111		256,198	
Cash in hand		100		1,328	
		<u>258,211</u>		<u>257,526</u>	
CREDITORS					
Amounts falling due within one year	7	1,645,949		1,171,970	
NET CURRENT LIABILITIES					
			<u>(1,387,738)</u>		<u>(914,444)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			15,696,084		8,613,152
CREDITORS					
Amounts falling due after more than one year	8		2,910,159		2,767,248
			<u>12,785,925</u>		<u>5,845,904</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Revaluation reserve	10		11,349,375		4,688,822
Profit and loss account	10		1,436,450		1,156,982
SHAREHOLDERS' FUNDS					
			<u>12,785,925</u>		<u>5,845,904</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



L J P Trevellyan - Director

Approved by the Board on 30 November 2004

The notes form part of these financial statements

Spincrest Limited

Notes to the Financial Statements
for the Year Ended 31 January 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the United Kingdom. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

2. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.1.04 £	Period 1.8.01 to 31.1.03 £
Depreciation - owned assets	6,250	-
Auditors remuneration	1,175	2,363
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.1.04 £	Period 1.8.01 to 31.1.03 £
Current tax:		
UK corporation tax	18,325	32,299
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	18,325	32,299
	<u> </u>	<u> </u>

Spincrest Limited

Notes to the Financial Statements - continued
for the Year Ended 31 January 2004

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
Additions	25,000
At 31 January 2004	25,000
DEPRECIATION	
Charge for year	6,250
At 31 January 2004	6,250
NET BOOK VALUE	
At 31 January 2004	18,750

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Property Portfolio £	Totals £
COST OR VALUATION			
At 1 February 2003	100	9,527,496	9,527,596
Additions	-	862,068	862,068
Disposals	-	(57,800)	(57,800)
Revaluations	-	6,733,208	6,733,208
At 31 January 2004	100	17,064,972	17,065,072
NET BOOK VALUE			
At 31 January 2004	100	17,064,972	17,065,072
At 31 January 2003	100	9,527,496	9,527,596

The property portfolio was revalued on an open market basis by Warren Reid Meadowcroft Chartered Surveyors at 31st January 2004

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.04 £	31.1.03 £
Other debtors	32,136	30,223
Amounts owed by group undertakings	225,975	225,975
	258,111	256,198

Spincrest Limited

Notes to the Financial Statements - continued
for the Year Ended 31 January 2004

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

	31.1.04	31.1.03
	£	£
Bank loans and overdrafts	326,798	198,307
Amounts owed to group undertakings	1,207,151	870,659
Taxation and social security	8,101	-
Other creditors	103,899	103,004
	1,645,949	1,171,970

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.1.04	31.1.03
	£	£
Bank loans	2,910,159	2,767,248

The Bank loans and overdrafts are secured by way of a fixed and floating charge over the company's assets and there is a composite guarantee given by Trevellyan Developments Limited and its subsidiaries.

Included with creditors falling due after more than one year is an amount of £547,135 (2003 - 1,974,019) in respect of liabilities which falls due for payment after more than five years from the balance sheet date.

9. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.1.04	31.1.03
			£	£
100	Ordinary	£1	100	100

10. **RESERVES**

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 February 2003	1,188,794	4,654,309	5,843,103
Retained profit for the year	247,656	-	247,656
Revaluation	-	6,733,208	6,733,208
Transfer to profit and loss on realisation	-	(38,142)	(38,142)
	1,436,450	11,349,375	12,785,825

11. **ULTIMATE PARENT COMPANY**

The company's parent undertaking is Trevellyan Developments Limited which is incorporated in England and Wales.

12. **RELATED PARTY DISCLOSURES**

The company lets property to Trevellyan Developments Limited during the year the rent being £19,824.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities.

Spincrest Limited

Notes to the Financial Statements - continued
for the Year Ended 31 January 2004

13. CASH AT BANK IN TRUST FOR LESSEES

The company holds £31,720 (2003 - £43,249) as trustees for tenants for the investment properties, being for the management and maintenance of the properties.