

SKILLION FINANCE LIMITED

REPORT AND ACCOUNTS

for the year ended

31 DECEMBER 1995



SKILLION FINANCE LIMITED

DIRECTORS

M J Kingshott
P J Bushnell
M R C Carpenter

SECRETARY

Henderson Secretarial Services Limited

REGISTERED OFFICE

3 Finsbury Avenue
London
EC2M 2PA

AUDITORS

Smith & Williamson
Chartered Accountants
No 1 Riding House Street
London W1A 3AS

COMPANY'S REGISTERED NUMBER

2420758

SKILLION FINANCE LIMITED

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SKILLION FINANCE LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 December 1995.

Activities

The principal activity of the company continues to be acting as a Trustee on behalf of the secured loan note holders of The Skillion Group Limited.

Review of affairs and results for the year

During the year, the company has accounted for distributions made by the receivers of The Skillion Group Limited directly to the secured loan note holders amounting to £14,133 (1994: £505,000). No income was earned and no expenses were incurred by the company during the year.

The directors are satisfied with the state of the company's affairs at 31 December 1995.

Directors and their interests

Mr M J Kingshott served throughout the year as a director.

Messrs P.J. Bushnell and M.R.C. Carpenter were appointed as directors on 30 June 1995. On the same date, Mr P.J. Duffy resigned as a director of the company.

None of the directors held an interest in the share capital of the company.

Auditors

An elective resolution is in place dispensing with the annual requirement to reappoint Smith & Williamson as auditors.

APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD.



M R C Carpenter
DIRECTOR

SKILLION FINANCE LIMITED

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 and 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;
- 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 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 accounts comply with the Companies Act. 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.

Smith & Williamson

Chartered Accountants

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SKILLION FINANCE LIMITED

We have audited the accounts on pages 6 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

No 1 Riding House Street
London W1A 3AS

30 October 1996

SKILLION FINANCE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 DECEMBER 1995

| | Notes | 1995 | 1994 |
|--|-------|-------|-------|
| Administrative expenses | | - | (391) |
| Interest receivable and similar income | | - | 11 |
| | | <hr/> | <hr/> |
| (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | - | (380) |
| TAX ON (LOSS) ON ORDINARY ACTIVITIES | | - | 1 |
| | | <hr/> | <hr/> |
| (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | | - | (379) |
| PROFIT AND LOSS ACCOUNT brought forward | | 10 | 389 |
| | | <hr/> | <hr/> |
| PROFIT AND LOSS ACCOUNT carried forward | | 10 | 10 |
| | | <hr/> | <hr/> |

All the company's operations are classed as continuing and there are no recognised gains or losses other than the loss for the financial year.

SKILLION FINANCE LIMITED

BALANCE SHEET as at 31 DECEMBER 1995

| | Notes | 1995 | 1994 |
|--------------------------|-------|-------|-------|
| | | £ | £ |
| CURRENT ASSETS | | | |
| Debtors | 3 | 10 | - |
| Cash at bank and in hand | | 3 | 13 |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 13 | 13 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 4 | 3 | 3 |
| Profit and loss account | | 10 | 10 |
| | | <hr/> | <hr/> |
| SHAREHOLDERS' FUNDS | 5 | 13 | 13 |
| | | <hr/> | <hr/> |

These accounts were approved by the Board of Directors and signed on its behalf on 28 October 1996

Mark Carpenter
M R C Carpenter, Director

SKILLION FINANCE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 DECEMBER 1995

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention on a going concern basis.

Distributions to loan note holders

During the year, the company recovered £14,133 (1994: £505,000) from the receivers of The Skillion Group Limited, which was paid directly to the secured loan note holders of that company.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

| | | | |
|---|--|-----------|-----------|
| 2 | Tax on profit on ordinary activities | 1995 £ | 1994 £ |
| | Overprovisions in respect of prior years | - | (1) |
| | | <hr/> | <hr/> |
| 3 | Debtors | £ | £ |
| | Amounts due from group company | 10 | - |
| | | <hr/> | <hr/> |
| 4 | Called up share capital | £ | £ |
| | Authorised, allotted and fully paid 3 ordinary shares of £1 each | 3 | 3 |
| | | <hr/> | <hr/> |
| 5 | Reconciliation of movements on shareholders' funds | £ | £ |
| | Opening shareholders' funds | 13 | 392 |
| | Loss for the financial year | - | (379) |
| | | <hr/> | <hr/> |
| | Closing shareholders' funds | 13 | 13 |
| | | <hr/> | <hr/> |

6 Ultimate parent company

At 31 December 1995, the parent company was Trust Union Properties (Number Twenty-Three) Limited, a company registered in England.

The ultimate parent company at that date was TR Property Investment Trust Plc, a company registered in England. Copies of the accounts of TR Property Investment Trust Plc are available from The Company Secretary, TR Property Investment Trust Plc, 3 Finsbury Avenue, London EC2M 2PA.