

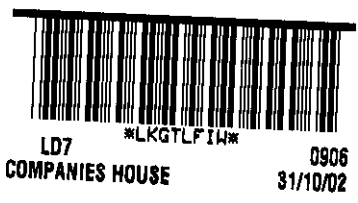
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SKILLION FINANCE LIMITED

Report and Accounts

31 December 2001

 ERNST & YOUNG



# Skillion Finance Limited

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Registered No. 2420758

## **DIRECTORS**

P J Bushnell  
J L Elliott  
C M Turner  
M A Phayre-Mudge

## **SECRETARY**

Henderson Secretarial Services Limited  
4 Broadgate  
London EC2M 2DA

## **AUDITORS**

Ernst & Young LLP  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

## **REGISTERED OFFICE**

4 Broadgate  
London EC2M 2DA

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

**RESULTS AND DIVIDENDS**

The company did not trade during the year and did not incur any expenses.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

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.

The company has passed Elective Resolutions pursuant to Sections 252, 366A and 386 of the Companies Act 1985 ('the Act') to dispense with the holding of Annual General Meetings, the laying of the Annual Report and Accounts before general meetings and the obligation to appoint auditors annually. Any member of the company, pursuant to Section 253 (2) of the Act, may require the Report and Accounts to be laid before a general meeting by depositing a notice to that effect at the registered office of the company not later than 28 days after the despatch of the Report and Accounts to members.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 31 December 2001, are listed on page 1.

No director had any interests in the share capital of the company.

The interests of the directors in the share capital of TR Property Investment Trust plc, the ultimate holding company, at 31 March 2002 and 31 March 2001, together with their interest in warrants, are shown below:

	<i>Ordinary shares of 25p each</i>		<i>Warrants</i>	
	<i>31 March 2002</i>	<i>31 March 2001</i>	<i>31 March 2002</i>	<i>31 March 2001</i>
P J Bushnell	8,510	8,510	—	193,500
J L Elliott	5,250	5,250	—	—
C M Turner	175,026	93,382	110,000	140,000
M A Phayre-Mudge	15,186	6,650	—	—
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>


At the final annual warrant exercise on 31 July 2002, C M Turner subscribed his total holding of 110,000 warrants for the same number of shares, bringing his total holding of shares in the parent company to 285,026.

DIRECTORS' REPORT

**AUDITORS**

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

On behalf of the Board

 29 October 2002

Henderson Secretarial Services 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 or 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLION FINANCE LIMITED**

We have audited the company's accounts for the year ended 31 December 2001 which comprise the Balance Sheet and the related notes 1 to 5. These accounts have been prepared on the basis of the accounting policy set out therein.

**Respective responsibilities of directors and auditor**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Directors' Report is not consistent with the accounts, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

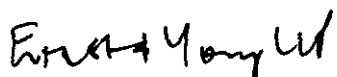
**Basis of audit opinion**

We conducted our audit in accordance with 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 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 policy is 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 affairs of the company as at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
London

29 October 2002

# Skillion Finance Limited


## BALANCE SHEET

at 31 December 2001

	Notes	2001 £	2000 £
<b>CURRENT ASSETS</b>			
Debtors	2	10	10
Cash at bank and in hand		3	3
<b>NET ASSETS</b>		<u>13</u>	<u>13</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	3	3
Profit and loss account		10	10
<b>SHAREHOLDERS' FUNDS</b>	4	<u>13</u>	<u>13</u>

The company has not traded during the year to 31 December 2001 or the previous year and no profit and loss account has therefore been prepared. There have been no recognised gains or losses in either year.

These accounts were approved by the Board of Directors and signed on their behalf on 29 October 2002

  
Director

NOTES TO THE ACCOUNTS  
at 31 December 2001

1. ACCOUNTING POLICY

*Accounting convention*

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

2. DEBTORS

	2001 £	2000 £
Amounts due from group company	10	10
	<u>10</u>	<u>10</u>

3. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted and fully paid 3 ordinary shares of £1 each	3	3
	<u>3</u>	<u>3</u>

4. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Balance brought forward and carried forward	13	13
	<u>13</u>	<u>13</u>

5. ULTIMATE PARENT COMPANY

At 31 December 2001, 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, 4 Broadgate, London EC2M 2DA.