

Trent City Securities Limited

Directors' Report and Financial Statements

for the Year Ended 30 September 2005

Registration number: 3047370



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Trent City Securities Limited

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account	13 to 15
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Trent City Securities Limited
Officers and Advisers

Directors	M E Moors
	S M Moors
	D R Kemp
Secretary	S M Moors
Registered office	Eaton Cottage Eaton Congleton Cheshire CW12 2NA
Auditors	Bentley Jennison Chartered Accountants & Registered Auditors 5 Ridge House Ridge House Drive Festival Park Stoke-on-Trent ST1 5SJ

Trent City Securities Limited

Directors' Report for the Year Ended 30 September 2005

The directors present their report and the audited financial statements for the year ended 30 September 2005.

Directors' responsibilities

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the company is commercial property development.

Charitable and political donations

During the year the company made charitable donations of £500.

Directors and their interests

The directors who held office during the year and their beneficial interest in the shares of the company were as follows:

	Ordinary shares of £1 each		'A' Ordinary shares of £1 each	
	End of year No.	Start of year No.	End of year No.	Start of year No.
M E Moors	-	-	-	-
S M Moors	-	-	-	-
D R Kemp	-	22,500	500	-

M E Moors and S M Moors are also directors of the company's parent undertaking and their interests in the shares of the parent undertaking are disclosed in that company's register of directors' interests.

Auditors

The auditors, Bentley Jennison, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

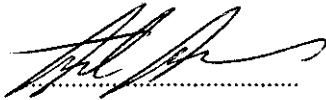
Small company provisions

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

Trent City Securities Limited
Directors' Report for the Year Ended 30 September 2005

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Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S M Moors', written over a dotted line.

S M Moors
Company Secretary

Date: 7/2/06

Independent Auditors' Report to the Members of Trent City Securities Limited

We have audited the financial statements of Trent City Securities Limited for the year ended 30 September 2005 set out on pages 5 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002) under the historical cost convention 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 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 in the statement of Directors' responsibilities on page 2, 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 affairs of the company as at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Bentley Jennison
Chartered Accountants & Registered Auditors

Date: 17 March 2006

5 Ridge House
Ridge House Drive
Festival Park
Stoke-on-Trent ST1 5SJ

Trent City Securities Limited
Profit and Loss Account for the Year Ended 30 September 2005

	Note	2005 £	2004 £
Turnover		8,886,776	2,764,237
Cost of sales		(5,511,289)	(2,165,185)
Gross profit		<u>3,375,487</u>	<u>599,052</u>
Administrative expenses <i>including exceptional items of £5,458,621 (2004: £0)</i>		(5,990,699)	(361,594)
Operating (loss)/profit	2	<u>(2,615,212)</u>	<u>237,458</u>
Interest receivable and similar income		63	2,218
Interest payable and similar charges		(271,457)	(339,629)
Loss on ordinary activities before taxation		<u>(2,886,606)</u>	<u>(99,953)</u>
Tax on loss on ordinary activities	4	(27,000)	1,894
Loss on ordinary activities after taxation		<u>(2,913,606)</u>	<u>(98,059)</u>
Retained (loss)/profit brought forward		(10,116)	87,943
Retained loss carried forward		<u><u>(2,923,722)</u></u>	<u><u>(10,116)</u></u>

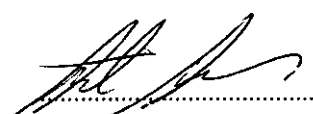
The notes on pages 7 to 12 form an integral part of these financial statements.

Trent City Securities Limited
Balance Sheet as at 30 September 2005

		2005		2004	
	Note	£	£	£	£
Fixed assets					
Tangible assets	5		-		-
Current assets					
Stocks		3,549,174		7,792,071	
Debtors	6	364,822		392,879	
Cash at bank and in hand		<u>1,213,785</u>		<u>2,727</u>	
		5,127,781		8,187,677	
Creditors: Amounts falling due within one year	7	<u>(7,901,503)</u>		<u>(8,047,793)</u>	
Net current (liabilities)/assets			<u>(2,773,722)</u>		<u>139,884</u>
Net (liabilities)/assets			<u>(2,773,722)</u>		<u>139,884</u>
Capital and reserves					
Called up share capital	9		150,000		150,000
Profit and loss account			<u>(2,923,722)</u>		<u>(10,116)</u>
Equity shareholders' (deficit)/funds			<u>(2,773,722)</u>		<u>139,884</u>

The 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).

Approved by the Board on 07/02/06 and signed on its behalf by:



S M Moors
Director

The notes on pages 7 to 12 form an integral part of these financial statements.

Trent City Securities Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

These accounts have been prepared on a going concern basis on the assumption of the continuing financial support of the parent company and its directors.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Fixtures and fittings	25% straight line basis
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Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2 Operating (loss)/profit

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Exceptional item - Management charges (see note 10)	5,458,621	-
Auditors remuneration - audit services	3,500	3,500
Management charges	<u>192,200</u>	<u>102,000</u>

Trent City Securities Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... *continued*

3 Directors' emoluments

No emoluments were paid to the directors during the year (2004 - £nil).

4 Taxation

Analysis of current period tax charge/(credit)

	2005 £	2004 £
Current tax		
Corporation tax charge	27,000	-
(Over)/under provision in previous year	<u>-</u>	<u>(1,894)</u>
UK Corporation tax	<u><u>27,000</u></u>	<u><u>(1,894)</u></u>

Factors affecting the current period tax charge.

There are no factors affecting the current year's tax charge.

Factors which may affect future tax charges

There are no factors that may affect future tax charges.

Trent City Securities Limited
Notes to the Financial Statements for the Year Ended 30 September 2005

..... *continued*

5 Tangible fixed assets

	Fixtures and fittings £
Cost	
As at 1 October 2004	13,283
Disposals	<u>(13,283)</u>
As at 30 September 2005	<u>-</u>
Depreciation	
As at 1 October 2004	13,283
Eliminated on disposals	<u>(13,283)</u>
As at 30 September 2005	<u>-</u>
Net book value	
As at 30 September 2005	<u><u>-</u></u>
As at 30 September 2004	<u><u>-</u></u>

Trent City Securities Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

6 Debtors

	2005 £	2004 £
Trade debtors	172,844	30,361
Other debtors	162,678	225,218
Director current accounts	-	128,000
Prepayments and accrued income	29,300	9,300
	<u>364,822</u>	<u>392,879</u>

7 Creditors: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	2,000,000	572,688
Trade creditors	52,835	246,772
Amounts owed to group undertakings	5,820,368	4,951,267
Social security and other taxes	-	1,416
Other creditors	-	2,270,000
Accruals and deferred income	28,300	5,650
	<u>7,901,503</u>	<u>8,047,793</u>

8 Security of borrowings

The bank borrowings are secured. This security includes a cross guarantee dated 5 March 2003 between the company and Claymoss Properties Limited. The company has a contingent liability in relation to this cross guarantee of £1,924,301 (2004: £5,097,434).

Trent City Securities Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

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9 Share capital

	2005 £	2004 £
Authorised		
149,500 (150,000 - 2004) Ordinary shares of £1 each	149,500	150,000
500 (0 - 2004) 'A' Ordinary shares of £1 (0 pence - 2004) each	500	-
	<u>150,000</u>	<u>150,000</u>
Allotted, called up and fully paid		
149,500 (150,000 - 2004) Ordinary shares of £1 each	149,500	150,000
500 (0 - 2004) 'A' Ordinary shares of £1 (0 pence - 2004) each	500	-
	<u>150,000</u>	<u>150,000</u>

Movements during the year

During the year, 500 of the Ordinary shares of £1 each were converted into and redesignated as "A" Ordinary shares of £1 each.

The "A" Ordinary shares:

- Carry no right to participate in any dividend or distribution declared by the company;
- Carry the right to distribution of surplus assets on any winding up of the company pari passu with the Ordinary shares, second to the payment of all arrears and dividends payable to the holders of the Ordinary shares in respect of them;
- Carry no rights to attend any meeting of the Company or vote on any resolution of the Company.

Trent City Securities Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

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10 Related parties

Controlling entity

The company is a subsidiary of Claymoss Properties Ltd which owns 99.67% of the company's issued share capital.

The ultimate parent undertaking Claymoss Limited.

Claymoss Limited is controlled by M E Moors.

Transactions and balances with related parties are as follows:

	2005 £	2004 £
Claymoss Properties Limited - management charges paid	5,650,821	102,000
Claymoss Properties Limited - interest paid	242,250	309,576
Claymoss Properties Limited - insurance recharged	40,000	25,000
Balance owing to Claymoss Properties Limited	<u>5,820,368</u>	<u>4,951,267</u>

Directors' loan accounts

The following balance from the director was outstanding at the year end:

	Maximum Balance	2005 £	2004 £
D R Kemp	<u>128,000</u>	<u>-</u>	<u>128,000</u>