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Registration number 3605320 (England and Wales)

TRUELINE PROPERTIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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TRUELINE PROPERTIES LIMITED
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TRUELINE PROPERTIES LIMITED
OFFICERS AND ADVISERS

Directors	A J Sperrin T Berglund
Secretary	A J Sperrin
Registered office	12 Blacks Road Hammersmith London W6 9EU
Accountants	Harmer Slater Limited Chartered Accountants Salatin House 19 Cedar Road Sutton, Surrey SM2 5DA

TRUELINE PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements for the year ended 31 March 2010

Principal activity

The principal activity of the company during the year was that of property investment

Directors

The directors who held office during the year were as follows

- A J Sperrin (appointed 23 April 2009)
- D C Farley (appointed 23 April 2009)
(Resigned 16 February 2010)
- T Berglund (appointed 23 April 2009)
- G Sorrell (Resigned 30 April 2009)

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 adequate 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 2006. 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

Small company provisions

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Approved by the Board on 13 September 2010 and signed on its behalf by



A J Sperrin
Director

TRUELINE PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
Gross rental income		14,092	21,132
Property outgoings		(2,659)	(4,708)
Net rental income		11,433	16,424
Administrative expenses		(741)	(663)
Operating profit	2	10,692	15,761
Gains arising on sale of investments	3	-	38,817
Income from fixed asset investment		780	-
Other interest receivable and similar income		-	19
Interest payable and similar charges		(6,434)	(21,502)
Profit on ordinary activities before taxation		5,038	33,095
Tax on profit on ordinary activities	5	(1,308)	(17,000)
Profit for the financial year	13	3,730	16,095

The notes on pages 6 to 12 form an integral part of these financial statements

TRUELINE PROPERTIES LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR
ENDED 31 MARCH 2010

	2010 £	2009 £
Profit for the financial year	3,730	16,095
Unrealised surplus on revaluation of properties	45,953	-
Total recognised gains for the year	<u>49,683</u>	<u>16,095</u>

The notes on pages 6 to 12 form an integral part of these financial statements

TRUELINE PROPERTIES LIMITED
BALANCE SHEET AS AT 31 MARCH 2010

		2010	2009
	Note	£	£
Fixed assets			
Tangible assets	6	809,803	763,850
Investments	7	30,150	5
		<u>839,953</u>	<u>763,855</u>
 Current assets			
Debtors	8	13,075	125
Cash at bank		908	733
		<u>13,983</u>	<u>858</u>
 Creditors. Amounts falling due within one year	9	<u>(345,864)</u>	<u>(272,135)</u>
Net current liabilities		<u>(331,881)</u>	<u>(271,277)</u>
 Total assets less current liabilities		508,072	492,578
Creditors. Amounts falling due after more than one year	10	<u>(254,342)</u>	<u>(288,531)</u>
 Net assets		<u>253,730</u>	<u>204,047</u>
 Capital and reserves			
Called up share capital	12	10,000	10,000
Revaluation reserve	13	283,452	237,499
Profit and loss reserve	13	<u>(39,722)</u>	<u>(43,452)</u>
 Shareholder's funds		<u>253,730</u>	<u>204,047</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the financial year ended 31 March 2010, the company was entitled to exemption from audit under section 477(1) of the Companies Act 2006, and no notice has been deposited under section 476(1) requesting an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 394 and which otherwise comply with the Companies Act 2006, so far as applicable to the company

Approved by the Board on 13 September 2010 and signed on its behalf by



A J Sperrin
Director

The notes on pages 6 to 12 form an integral part of these financial statements

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

A summary of the significant accounting policies which have been consistently applied in the current and the preceding year is set out below

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 under Financial Reporting Standard for Smaller Entities (effective April 2008)

Gross rental income

Rental income represents amounts invoiced to third parties in relation to the leasing of the company's investment properties

Rental income from investment property leased out under an operating lease is recognised in the profit and loss account on a straight-line basis over the term of the lease

Investment properties

Investment properties are properties owned by the company which are held for long-term rental income or for capital appreciation or both and are included in fixed assets at their latest valuation plus subsequent additions at cost. Surpluses and deficits arising on valuation are taken direct to the revaluation reserve

Depreciation is not provided in respect of freehold properties. This treatment may be a departure from the Companies Act 2006 concerning the depreciation of fixed assets in respect of certain of these properties. However such properties are not held for consumption but for investment and the directors consider that annual depreciation would be inappropriate and that this policy is necessary to give a true and fair view. Depreciation is only but one of many factors reflected in the valuation and the amount which might have been shown cannot be separately identified or quantified. Any permanent diminution in value of properties is charged to the profit and loss account

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

(CONTINUED)

1 ACCOUNTING POLICIES CONTINUED

Taxation

Current tax represents the expected tax payable (or recoverable) on the taxable profits for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments from prior years

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE

As all of the company's investment properties are held as long term investments and the company was a Real Estate Investment Trust (REIT) until 1 October 2009, deferred tax was not provided on timing differences arising from revaluation of those assets as any gains realised would be exempt from taxation as long as the REIT conditions were met

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

2 OPERATING PROFIT

Operating profit is stated after charging

	2010 £	2009 £
The audit of the company's annual accounts	-	600

3 GAINS ARISING ON SALE OF INVESTMENTS

	2010 £	2009 £
Gains arising on sale of investment properties	-	38,817

4 DIRECTORS' REMUNERATION

No remuneration was paid to the directors during the year (2009 - £nil)

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)

5 TAXATION

Analysis of current period tax charge

	2010 £	2009 £
Current tax		
Corporation tax charge	1,308	-
REIT conversion charge	-	17,000
UK Corporation tax	<u>1,308</u>	<u>17,000</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 21% (2009 - 28%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>5,038</u>	<u>33,095</u>
Standard rate corporation tax charge	1,058	9,267
Non-taxable income	(218)	-
Exempt property rental losses	468	595
Indexation on capital gains	-	-
Exempt property losses/(gains)	-	(11,340)
REIT conversion charge	-	17,000
Group relief	-	(3)
Tax losses carried forward	-	1,481
Total current tax for the year	<u>1,308</u>	<u>17,000</u>

Factors which may affect future tax charges

The company ceased to be a Real Estate Investment Trust (REIT) with effect from 1 October 2009. Consequently, up until 1 October 2009 the company profits and gains from qualifying rental business were not subject to UK corporation tax. Non-qualifying profits and gains of the company continued to be subject to UK corporation tax as normal.

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)

6 TANGIBLE FIXED ASSETS

	Investment properties £
Cost or Valuation	
As at 1 April 2009	763,850
Revaluation	<u>45,953</u>
As at 31 March 2010	<u>809,803</u>
Net book value	
As at 31 March 2010	<u>809,803</u>
As at 31 March 2009	<u>763,850</u>

Land and buildings

The net book value of land and buildings includes

	Investment properties	
	31 Mar 10	31 Mar 09
	£	£
Freehold	12,000	12,000
Long leasehold	<u>797,803</u>	<u>751,850</u>
	<u>809,803</u>	<u>763,850</u>

Revaluation of fixed assets

The company's investment properties were valued by Willmotts Chartered Surveyors, as at 31 March 2008 in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. The company's investment properties valuations were updated by the directors with assistance from Willmotts Chartered Surveyors at 31 March 2010 on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

The historical cost of properties at 31 March 2010 was £526,351 (31 March 2009 £526,351). The historical cost of leasehold properties included within the above amounted to £514,351 (31 March 2009 £514,351).

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)

7 INVESTMENTS HELD AS FIXED ASSETS

	Group shares £	Listed investment £	Total £
Cost			
As at 1 April 2009	5	-	5
Additions	-	30,150	30,150
Disposals	(5)	-	(5)
As at 31 March 2010	<u>-</u>	<u>30,150</u>	<u>30,150</u>
Net book value			
As at 31 March 2010	<u>-</u>	<u>30,150</u>	<u>30,150</u>
As at 31 March 2009	<u>5</u>	<u>-</u>	<u>5</u>

Listed investments

Investments having a net book value of £30,150 (2009 - £nil) are listed on the Luxembourg stock exchange and had a market value of £31,200 at the end of the year (2009 - £nil)

8 DEBTORS

	2010 £	2009 £
Rental debtors	500	125
Prepayments and accrued income	12,575	-
	<u>13,075</u>	<u>125</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loan	28,095	26,619
Other loan	314,689	-
Trade creditors	375	1,898
Amount owed to parent undertaking	-	237,925
REIT conversion tax	1,313	4,255
Accrued expenditure	1,392	1,438
	<u>345,864</u>	<u>272,135</u>

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Bank loan	254,342	275,781
Other creditors	-	12,750
	<u>254,342</u>	<u>288,531</u>

Included in the creditors are the following amounts due after more than 5 years

	2010 £	2009 £
After more than five years by instalments	<u>136,851</u>	<u>163,218</u>

11 SECURITY OF BORROWINGS

The bank loan is secured by a fixed charge over Flat 1, 59 Warwick Gardens, London, W14 8PL

Interest is payable at 1.75% over the Bank of Scotland's base rate. The loan is repayable by 3 August 2024.

12 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
Equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

13 RESERVES

	Revaluation reserve £	Profit and loss reserve £	Total £
At 1 April 2009	237,499	(43,452)	194,047
Profit for the year	-	3,730	3,730
Surplus on property revaluation	45,953	-	45,953
At 31 March 2010	<u>283,452</u>	<u>(39,722)</u>	<u>243,730</u>

TRUELINE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)

14 RELATED PARTIES

Controlling parties

Until 30 September 2009 Pineapple Corporation Plc owned 100% of the company's issued share capital

Related party transactions

At 31 March 2010 the company owed J E Berglund, a shareholder, £314,689. The loan is interest free, unsecured and has no fixed repayment schedule or repayment date.