

TRENYTHON ESTATES LIMITED

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**



TRENYTHON ESTATES LIMITED

COMPANY INFORMATION

DIRECTORS

Mr A Lalani

Mr A Brockett (Resigned 21st June 2004)

SECRETARY

Mrs D Williams

REGISTERED OFFICE

Trenythron Manor

Tywardreath

Par

Cornwall

PL24 2TS

ACCOUNTANTS

A Hari & Co

3 Creighton Road

London W5 4SH

COMPANY NUMBER

3377777

BANKERS

Royal Bank of Scotland

62/63 Threadneedle Street

London EC2R 8LA

TRENYTHON ESTATES LIMITED

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TRENYTHON ESTATES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The director present his report and financial statements for the year ended 31 December 2004.

Results and Dividends

The net loss for the year amounted to £67,880 as shown on page 2 of the financial statements. The director does not recommend payment of a dividend.

Principal activities

The principal activity of the company in the year under review was to carry on the business of hotel and property management and development.

Director

The following director has held office since 1 January 2004:

A. Lalani
A. Brockett

(Resigned 21st June 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31/12/2004	01/01/2004
A. Lalani	1	1
A. Brockett	-	-

Small Company Exemption

The report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies

Directors' responsibilities

Company law requires the director 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 judgments 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.

By order of the Board



D Williams
Secretary

25/08/2005

TRENYTHON ESTATES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004	2003
	Notes	£	£
Turnover		1,661,733	985,871
Cost of sales		<u>(520,614)</u>	<u>(248,515)</u>
Gross Profit		1,141,119	737,356
Administrative Expenses		<u>(1,165,044)</u>	<u>(872,205)</u>
Loss on ordinary activities	2	(23,925)	(134,849)
Interest Payable		(56,367)	(37,767)
Income on Sale of Investments		12,026	0
Interest receivable		<u>386</u>	<u>480</u>
Loss on ordinary activities before taxation		(67,880)	(172,136)
Tax on loss on ordinary activities	3	0	0
Loss on ordinary activities after taxation	9	<u><u>(67,880)</u></u>	<u><u>(172,136)</u></u>

The notes on pages 4 - 7 form part of these financial statements.

TRENYTHON ESTATES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004


	Note	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	4		2,332,994		2,217,803
Current assets					
Stocks		549,552		453,000	
Debtors	5	53,705		65,278	
Cash at bank and in hand		22,283		18,217	
			625,540		536,495
Creditors: amounts falling due within one year	6	(443,575)		(380,779)	
Net current assets			181,965		155,716
Total assets less current liabilities			2,514,959		2,373,519
Creditors : amounts falling due after more than one year	7		(4,017,231)		(3,807,911)
			<u>(1,502,272)</u>		<u>(1,434,392)</u>
Capital and reserves					
Called up share capital	8		20		20
Profit and loss account	9		(1,502,292)		(1,434,412)
Share holders' funds			<u>(1,502,272)</u>		<u>(1,434,392)</u>

The director has taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirms that no notice has been deposited under s.249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for ensuring that :

- I The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- II The financial statements give a true and fair view of the state of affairs of the company as at 31st December 2004 and of its loss for the year then ended in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.
- III These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 25th August 2005



A. Lalani
Director

TRENYTHON ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

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

The director has received a letter confirming continuing financial support from its ultimate parent company. Based on this support, the director anticipates that the company will have sufficient resources to meet its obligations as they fall due. On this basis the director has prepared the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the non availability of parental support.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Fixtures, fittings & equipment	25.0 % reducing balance

No depreciation has been charged on the freehold, as in the opinion of the directors, the residual value of the freehold will be in excess of the book value and any depreciation would be immaterial.

2	Operating Loss	2004	2003
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	<u>28,857</u>	<u>26,379</u>
3	Taxation		
	Current tax charge	<u>0</u>	<u>0</u>

The company has estimated losses of £1,809,000 (2003: £ 1,674,000) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

TRENYTHON ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

4	Tangible fixed assets	Land and Buildings	Other Tangible fixed assets	Total
		£	£	£
	Cost			
	At 1 January 2004	2,138,665	213,243	2,351,908
	Disposal	-46,990	0	-46,990
	Additions	154,742	36,296	191,038
	At 31 December 2004	<u>2,246,417</u>	<u>249,539</u>	<u>2,495,956</u>
	Depreciation			
	At 1 January 2004	0	134,105	134,105
	Charge for the year	<u>0</u>	<u>28,857</u>	<u>28,857</u>
	At 31 December 2004	<u>0</u>	<u>162,962</u>	<u>162,962</u>
	Net book value			
	At 31 December 2004	<u>2,246,417</u>	<u>86,577</u>	<u>2,332,994</u>
	At 31 December 2003	<u>2,138,665</u>	<u>79,138</u>	<u>2,217,803</u>

The director considers the property to be worth considerably more than its net book value.

5	Debtors	2004	2003
		£	£
	Trade Debtors	10,833	32,302
	Other debtors	42,872	32,976
		<u>53,705</u>	<u>65,278</u>

6	Creditors: amounts falling due within one year	2004	2003
		£	£
	Trade Creditors	161,104	122,109
	Taxation and social security	45,353	36,136
	Bank Overdraft	74,293	0
	Bank loan	0	98,640
	Accruals	18,572	11,436
	Other Creditors	144,253	112,458
		<u>443,575</u>	<u>380,779</u>

TRENYTHON ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	£	£
7 Creditors: amounts falling due after more than one year		
Amount due to ultimate parent company	2,790,830	3,179,397
Bank Loans : Repayable between one and five years	1,226,401	628,514
	<u>4,017,231</u>	<u>3,807,911</u>

It is the ultimate parent company's intention that the loan is not repaid within the foreseeable future.

The Bank Loans comprise the following

- (a) A loan of £711,515 with interest payable at 1.75% over base rate and secured on the company's freehold property.
- (b) A bank loan facility of £2.03million, against which £514,886 had been drawn as at 31st December 2004. This facility was obtained to fund the cost of developing 19 lodges on freehold property of the company. Interest on the loan is payable at the rate of 2.0% above base rate.

	2004	2003
	£	£
8 Share Capital		
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
20 Ordinary shares of £1 each	<u>20</u>	<u>20</u>

9 Statement of movements of profit and loss account	Profit and loss Account
	£
Balance at 1 January 2004	(1,434,412)
Retained loss for the year	(67,880)
Balance at 31 December 2004	<u>(1,502,292)</u>

TRENYTHON ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

10 Related party transactions

During the year the movement on the ultimate parent company's loan account amounted to £388,567. The amount due at 31st December 2004 was £2,790,830 (2003 £3,179,397).