Companies House copy

TIUTA PLC
Company No: 04974070

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

RAWLINSON & HUNTER

Chartered Accountants
Eighth Floor 6 New Street Square London EC4A 3AQ

TIUTA PLC

COMPANY INFORMATION

DIRECTORS	C P Baba S Nicholas G Patellis (Appointed 27/05/2010) G C Booth (Resigned 03/12/2009)
SECRETARY	M Kearns
REGISTERED OFFICE	21 Ely Place London EC1N 6TD
REGISTERED NUMBER	04974070
AUDITORS	Rawlinson & Hunter Chartered Accountants & Statutory Auditor Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
PRINCIPAL BANKERS	Marfin Popular Bank PLC 14 Cavendish Place London W1G 9DJ
SOLICITORS	Saunders Bearman 18 Bentinck Street London W1U 2ET

TIUTA PLC

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TIUTA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements of Tiuta Plc ("the company") and its subsidiaries (together "the group") for the year ended 31 March 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and the group and of the profit and loss of the group for that period In preparing these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In determining how amounts are presented within items in the Profit and Loss Account, Statement of Total Recognised Gains and Losses and Balance Sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

TIUTA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

PRINCIPAL ACTIVITIES

The principal activities of the group during the year were the provision of short term loans secured by legal charges over property and the acquisition of residential properties for the purposes of letting and capital growth The principal subsidiaries of Tiuta Plc are disclosed in the Notes to the Financial Statements

BUSINESS REVIEW

The directors feel that the group has achieved commendable financial results in the twelve months to 31 March 2010 Given the current economic environment, the continued growth of the loan book (to over £110 million) and subsequent increase in turnover (to £17 4 million) has resulted from a focus on professionalism, customer service and a desire to proactively meet the needs of clients and introducers

Internally, continued emphasis has been placed upon credit risk and effective loan management which has meant that, although provisioning is still applied where necessary, the year on year effect on the Consolidated Profit and Loss Account has fallen dramatically Procedural efficiencies have also been a key objective with the application of resources to maintain growth and mitigate risk being prioritised This has resulted in a tightening of overhead control in areas peripheral to the main goals of the group

New lending continues to perform well with lower loan to value ratios and tighter credit parameters resulting in low default rates, providing excellent impetus to continue the growth and recovery during the year under review and into the future

FINANCIAL RISK MANAGEMENT

The group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk

Credit risk
The group has implemented policies and controls (both internal and third party professionals) that require specific checks on customers and the security provided As a result, arrangements are in place to minimise the company's credit risk, such as ensuring that the maximum loan to value ratio applied is 70%, providing significant headroom in the event of default by the borrower

Liquidity risk
The group manages its liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms

Interest rate risk

The group has interest bearing liabilities in the form of bank loans and overdrafts Interest is charged on these borrowings at floating rates of interest linked to bank base rates The group makes loans to customers at fixed rates but these are for short term periods with an average payment of 204 days *(2009 - 210 days)*, which minimises the interest rate risk

TIUTA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £620,440 *(2009 – loss of £1,482,922)* Included in the Consolidated Profit and Loss Account are provisions for doubtful debts and bad debts written off of £1,938,198 *(2009 - £4,678,223)*

No dividend *(2009 - £798,674)* was declared during the year representing £Nil *(2009 - £5 99)* per share

FUTURE DEVELOPMENTS

The directors intend to continue the good practices both internal and external to the group that have enabled the year on year growth and return to profitability in 2010 Alongside these, further benefits gained from a move to bring the marketing function in house, an increased sales presence and further diversification of the product range will ensure that the group develops and expands its target market whilst continuing to serve the needs of existing clients

Attention will also be focused on further diversification of the group's funding, where significant reduction in the interest cost can be achieved

The directors expect that, through the implementation of measures to maintain growth, the trend of increasing turnover will be maintained This, alongside cost controls and funding savings, should see an improvement in margins providing a steady rise in profits in future years

DIRECTORS

The directors who served during the year and to the date of this report were

C P Baba
S Nicholas
G Patellis (Appointed 27/05/2010)
G C Booth (Resigned 03/12/2009)

POLITICAL AND CHARITABLE DONATIONS

During the year, the company made charitable donations totalling £10,648 *(2009 - £16,244)* and no political contributions In particular, the charitable donations were made to the following types of charities Cancer and other medical charities (£4,250), local and religious charities (£796), and children's charities (£5,602)

SUPPLIER PAYMENT POLICY

The group agrees terms and conditions for its transactions with its suppliers Payments are then made, subject to the terms and conditions being set by the suppliers Average creditor days amounted to 32 days *(2009 - 39 days)* This measure excludes loan creditors

TIUTA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

REGULATED MORTGAGES

On 7 April 2006, the company was registered by the Financial Services Authority (FSA) to provide regulated mortgages There have been no changes to the extent of the company's and group's FSA authority during the current and previous year

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that ought to have been taken as a director in order to make himself aware of any information needed by the company's auditors in connection with preparing their report and to establish that the auditors are aware of that information

AUDITORS

The auditors, Rawlinson & Hunter, will be proposed for reappointment at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006

This report was approved by the board on 30 June 2010 and signed on its behalf

S Nicholas
Director

G Patellis
Director

TIUTA PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TIUTA PLC

We have audited the consolidated financial statements of Tiuta Plc (the "company" or the "parent company") and its subsidiary undertakings (collectively referred to as "the group") for the year ended 31 March 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an Auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and company's affairs as at 31 March 2010 and of the profit of the group for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

TIUTA PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TIUTA PLC (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Robert Drennan (Senior Statutory Auditor)

for and on behalf of
RAWLINSON & HUNTER

Chartered Accountants
Statutory Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date 30 June 2010

TIUTA PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
TURNOVER	1, 2	17,419,577	15,277,052
Cost of sales		(2,066,390)	(1,059,776)
GROSS PROFIT		15,353,187	14,217,276
Administrative expenses		(7,281,925)	(9,896,726)
OPERATING PROFIT	3	8,071,262	4,320,550
Interest receivable		208,030	129,747
Interest payable	6	(7,321,525)	(6,530,941)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		957,767	(2,080,644)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(337,327)	597,722
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	£ 620,440	£ (1,482,922)

All amounts relate to continuing operations

TIUTA PLC

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010	2009
		£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		620,440	(1,482,922)
Unrealised surplus on revaluation of investment properties	8	2,022,265	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		£ 2,642,705	£ (1,482,922)

The notes on pages 12 to 28 form part of these accounts

TIUTA PLC

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Investment property	8		13,115,000		2,286,820
Tangible fixed assets	9		539,027		610,025
Investments	10		-		95,387
			13,654,027		2,992,232
CURRENT ASSETS					
Debtors	11	114,238,876		77,759,936	
Cash at bank		3,294,380		4,439,605	
		117,533,256		82,199,541	
CREDITORS - amounts falling due within one year	12	(113,976,649)		(68,784,184)	
NET CURRENT ASSETS			3,556,607		13,415,357
TOTAL ASSETS LESS CURRENT LIABILITIES			17,210,634		16,407,589
CREDITORS - amounts falling due after more than one year	13		(14,419,788)		(16,259,448)
Provision for liabilities and charges	14		-		-
NET ASSETS			£ 2,790,846		£ 148,141
CAPITAL AND RESERVES					
Called up share capital	15		133,336		133,336
Investment property revaluation reserve	16		2,022,265		-
Profit and loss account	16		635,245		14,805
SHAREHOLDERS' FUNDS All equity	17		£ 2,790,846		£ 148,141

The financial statements were approved and authorised for issue by the board and signed on its behalf on 30 June 2010

S Nicholas
Director

G Patellis
Director

The notes on pages 12 to 28 form part of these accounts

TIUTA PLC

COMPANY BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Tangible fixed assets	9		539,027		610,025
Investments	10		1,009		95,396
			540,036		705,421
CURRENT ASSETS					
Debtors	11	12,274,418		29,495,056	
Cash at bank		3,268,961		2,810,255	
		15,543,379		32,305,311	
CREDITORS - amounts falling due within one year	12	(6,117,830)		(19,370,541)	
NET CURRENT ASSETS			9,425,549		12,934,770
TOTAL ASSETS LESS CURRENT LIABILITIES			9,965,585		13,640,191
CREDITORS - amounts falling due more than one year	13		(12,069,359)		(15,105,948)
Provision for liabilities and charges	14		-		-
NET LIABILITIES			(2,103,774)		£ (1,465,757)
CAPITAL AND RESERVES					
Called up share capital	15		133,336		133,336
Profit and loss account	16		(2,237,110)		(1,599,093)
SHAREHOLDERS' DEFICIT All equity	17		£ (2,103,774)		£ (1,465,757)

The financial statements were approved and authorised for issue by the board and signed on its behalf on 30 June 2010

S Nicholas
Director

G Patellis
Director

TIUTA PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Net cash outflow from operating activities	19	(25,330,773)	(4,507,073)
Returns on investments and servicing of finance	19	(5,877,260)	(6,027,612)
Taxation		(215,187)	-
Capital expenditure	19	(8,859,030)	(2,645,442)
		(40,282,250)	(13,180,127)
Equity dividends paid	18	-	(399,337)
Financing	19	39,137,025	11,517,379
Decrease in cash		(1,145,225)	£ (2,062,085)

Reconciliation of net cash flow to movement in net debt

	Notes	2010 £	2009 £
Decrease in cash in the year		(1,145,225)	(2,062,085)
Cash inflow from increase in debt financing		(39,137,025)	(11,517,379)
Change in net debt before non cash items		(40,282,250)	(13,579,464)
Non cash items			
Capitalisation of unpaid dividend	18	-	(399,337)
New finance leases	20	(98,235)	(54,207)
Change in net debt	20	(40,380,485)	(14,033,008)
Net debt at 1 April 2009	20	(77,361,529)	(63,328,521)
Net debt at 31 March 2010	20	£ (117,742,014)	£ (77,361,529)

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future

The group meets its funding requirements through loans from various banks and other investors Aside from the unsubordinated A and B loans from shareholders and third party investors (see Note 13), all loans are secured against the assets of subsidiary undertakings and, in some cases, guaranteed by Tiuta Plc itself The company itself meets its day to day funding requirements through an agreed loan facility with Laiki Bank which is secured against the assets of the company

The company itself had Net Liabilities at the Balance Sheet date of £2,103,774 although long term loans account for £11,977,765, which supports the fact that liabilities are being met as they fall due The long term loans are predominantly from shareholders and even when called in, will only be due for repayment after a further two to five years (see Note 13 for further information) In any event, profits could be distributed by the subsidiaries to eliminate the Net Liabilities position within the company itself

The directors have projected that the group will continue to be profitable in the next financial year and recent management information supports this On this basis, on the basis of the directors' knowledge of available facilities with various lenders and on the basis of the long term nature of underpinning shareholder loans, the directors believe that the group and the company will have sufficient financial resources to continue in operation for a period of at least twelve months from the date of signing of these financial statements

Accordingly, the directors consider it appropriate to prepare the financial statements for the company and for the group on a going concern basis

Basis of consolidation

The Consolidated Profit and Loss Account, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Balance Sheet and Consolidated Cash Flow Statement incorporate the financial statements of Tiuta Plc and its subsidiary undertakings, all of which are wholly owned

The results of the subsidiaries acquired during the year are included from the effective date of acquisition

1 ACCOUNTING POLICIES (continued)

Turnover

Turnover comprises interest income and fee income from the issue of bridging loans and rental income in respect of the group's investment property portfolio

Interest income is recognised in the Consolidated Profit and Loss Account over the term of the loan on an accruals basis

Up front fees charged to customers are non refundable and, as there are no significant future executory costs, they are recognised in turnover upon signing of the contract

Penalty interest and arrears interest is recognised in the Consolidated Profit and Loss Account only upon realisation through repayment or refinancing by the borrower

Rent receivable is recognised in the Consolidated Profit and Loss Account using the straight line method, evenly over the period of the lease

Investments

Investments in subsidiaries and other equity investments are valued at cost less provision for impairment, if any

Investment property

Investment properties are included in the Consolidated Balance Sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold land and buildings	-	over the term of the lease
Furniture, fittings and equipment	-	over 3 years
Motor vehicles	-	over 3 years

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 **ACCOUNTING POLICIES (continued)**

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time
the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Operating leases

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Financial Instruments

Loans are recognised in the Balance Sheet, net of commission costs

Commission costs are recognised in the Consolidated Profit and Loss Account over the term of the loan at a constant rate

Trade debtors are carried at cost less any provisions for impairment, which are recognised in the Consolidated Profit and Loss Account

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

2 TURNOVER

Turnover principally represents interest and fees received and receivable in respect of loans advanced Also included in turnover is rental income receivable on the group's investment property portfolio

All turnover arose in the United Kingdom

3 OPERATING PROFIT

	2010 £	2009 £
The operating profit is stated after charging/(crediting)		
Depreciation of owned fixed assets (company and group)	222,627	183,110
Depreciation of assets held under finance leases (company and group)	22,963	13,697
Profit on disposal of investment properties	(23,242)	-
Impairment of fixed asset investments (Note 10)	95,387	-
Auditors' remuneration – audit	25,000	25,000
Auditors' remuneration – non audit	57,759	16,122
Operating lease costs	194,919	203,249
Provision for doubtful debts and bad debts written off	1,938,198	4,678,223

Included within auditors' remuneration above is an amount of £16,000 (*2009 - £14,000*) in respect of the audit of the company's principal subsidiaries

4 STAFF COSTS

	2010 £	2009 £
Staff costs, including directors' remuneration, were as follows		
Wages and salaries	1,519,557	1,936,311
Social security costs	156,211	228,730
	£ 1,675,768	£ 2,165,041

	2010 No.	2009 No.
The average monthly number of employees, including the directors, during the year was as follows		
Directors	3	3
Employees - administration and sales	25	24
	28	27

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

5 DIRECTORS' REMUNERATION

	2010 £	2009 £
Directors' wages and salaries	400,384	951,402
Directors' fees	595,875	-
	£ 996,259	£ 951,402

The highest paid director received remuneration of £452,813 *(2009 - £399,770)*

No director was in receipt of employer pension contributions *(2009 – £Nil)*

6 INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	5,632,211	4,707,883
On other loans	1,683,443	1,730,521
On finance lease contracts	4,600	3,287
On late payment of corporation tax	1,271	89,250
	£ 7,321,525	£ 6,530,941

7 TAX CHARGE/(CREDIT) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of tax charge/(credit) for the year

Current tax		
UK corporation tax on profit/(loss) for the year at 28% *(2009 28%)*	335,966	-
Adjustments in respect of previous year	1,361	(577,652)
Total current tax (Note 7(b))	337,327	(577,652)
Deferred tax		
Origination and reversal of timing differences (Note 14)	-	(20,070)
	337,327	£ (597,722)

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

7 TAX CHARGE/(CREDIT) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge/(credit) for year

The tax assessed for the year is higher than *(2009 – higher than)* the standard rate of corporation tax in the UK of 28% *(2009 – 28%)* The differences are explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	£ 957,767	£ (2,080,644)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% *(2009 - 28%)*	268,175	(582,580)
Effects of:		
Expenses not deductible for tax purposes	53,657	27,035
Difference between depreciation and capital allowances in year	15,271	19,457
Marginal relief	(1,137)	-
Adjustments in respect of previous year	1,361	-
Marginal rate effect of loss carry back	-	(42,457)
Losses carried forward	-	893
Current tax charge/(credit) for year (see Note 7(a))	£ 337,327	£ (577,652)

Deferred tax has not been provided on the difference between the carrying value and the tax basis of investment properties This tax will only become payable if the investment properties are sold The estimated amount of tax that would become payable upon sale is £566,000

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

8 INVESTMENT PROPERTIES

Group	Freehold properties £
Valuation	
At 1 April 2009	2,286,820
Additions at cost	9,424,570
Disposals	(618,655)
Revaluations	2,022,265
Valuation at 31 March 2010	£ 13,115,000

The valuations of the group's investment properties at 31 March 2010 were made by the group's Revaluation Committee, which comprises of 3 members, who have suitable industry experience and qualifications, on an open market value for existing use basis

9 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Group and company				
Cost				
At 1 April 2009	286,625	652,706	92,878	1,032,209
Additions	-	48,606	125,986	174,592
At 31 March 2010	286,625	701,312	218,864	1,206,801
Depreciation				
At 1 April 2009	77,112	301,579	43,493	422,184
Charge for the year	11,752	186,980	46,858	245,590
At 31 March 2010	88,864	488,559	90,351	667,774
Net book value				
At 31 March 2010	197,761	212,753	128,513	539,027
At 31 March 2009	£ 209,513	£ 351,127	£ 49,385	£ 610,025

The net book value of assets held under finance lease amounts to £100,065 *(2009 – £31,129)*

TIUTA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

10 FIXED ASSET INVESTMENTS

	Group Unlisted £	Company Unlisted £
Cost		
At 1 April 2009	95,387	95,396
Additions	-	1,000
Disposals	-	-
Impairment	(95,387)	(95,387)
At 31 March 2010	£ -	£ 1,009

The impairment in the year represents the write-off of the company's investment in 40% of the share capital of UAB AVSC Group, a company incorporated in Lithuania, which is no longer considered to be recoverable by the directors

See Note 24 for information regarding the principal subsidiaries included within these Consolidated Financial Statements

11 DEBTORS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Due within one year				
Trade debtors	112,663,539	77,195,561	4,960,736	15,963,675
Other debtors	123	-	-	-
Prepayments and accrued income	1,575,214	564,375	891,055	370,048
Amounts owed by group undertakings	-	-	6,422,627	13,161,333
	£ 114,238,876	£ 77,759,936	£ 12,274,418	£ 29,495,056

Trade debtors comprise amounts due in respect of regulated and unregulated short term loans secured by legal charges over certain properties These loans are all due within one year

12 CREDITORS - Amounts falling due within one year	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	16,331,689	42,996,365	2,792,526	12,277,040
Obligations under finance lease contracts	18,796	7,778	18,796	7,778
Other loans	90,266,121	22,537,543	1,712,845	-
Trade Creditors	540,975	282,567	45,970	165,495
Corporation tax	335,967	360,229	-	210,240
Social security and other taxes	1,223,881	808,213	1,223,881	808,213
Other creditors	9,453	34,413	-	34,413
Accruals and deferred income	5,249,767	1,757,076	323,812	557,926
Amounts owed to group undertakings	-	-	-	5,309,436
	£ 113,976,649	£ 68,784,184	£ 6,117,830	£ 19,370,541

Bank loans and overdrafts comprise various overdraft facilities that accrue interest between 2 5% and 6% over the relevant bank's base rate They are secured by debentures over the assets of the various group companies The overdrafts are repayable in full within one year of the date of the agreements, unless renewals of the facilities are agreed beforehand

The other loans comprise amounts owed to shareholders of the company and other investors of £1,712,845 (see Note 13) and funds from Connaught Asset Management of £88,553,276 *(2009 - £22,537,543)* for the Guaranteed Low Risk Income Fund (GLRIF) provided to Tiuta International Limited The full GLRIF facility is for £100m (£88 6m drawn down at the Balance Sheet date) and is secured by a first charge on all of the properties used as security for the loans to borrowers, a debenture over the other assets of Tiuta International Limited, and, a guarantee from Tiuta Plc The interest rate on the GLRIF facility ranges between 8 15% to 8 5%

TIUTA PLC

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FOR THE YEAR ENDED 31 MARCH 2010

13 CREDITORS - Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	1,553,500	1,153,500	-	-
Loan from related undertaking	796,929	-		
Obligations under finance lease contracts	91,594	29,419	91,594	29,419
Other loans	11,977,765	15,076,529	11,977,765	15,076,529
	£ 14,419,788	£ 16,259,448	£ 12,069,359	£ 15,105,948

Bank loans comprise a loan from Lloyds TSB bank to Tiuta Assets Limited of £1,153,500, which accrues interest at 1 5% over the bank's base rate per annum and is due for repayment in full on 31 July 2011, and a loan from Natwest bank to Tiuta Estates Limited of £400,000, which accrues interest at 2 5% over LIBOR per annum and is being repaid over twenty five years to April 2034 by equal monthly instalments of £1,333 The loans are secured by a debenture over the assets of the relevant company and Tiuta Plc

The loan from related undertaking comprises a loan facility from Louisiana Holdings Limited, a shareholder of Tiuta Plc, to Tiuta Credit Limited that accrues interest at 7% (prior to July 2009 - 3%) over the Bank of Cyprus base rate per annum It is secured by a debenture over the assets of Tiuta Credit Limited and Tiuta Plc, and is not due for repayment until after 31 March 2011

Other loans falling due within one year and after more than one year include amounts owed to shareholders of the company and other investors as follows

	2010		2009	
	£	£	£	£
	'A' loans	'B' loans	'A' loans	'B' loans
Shareholders				
G C Booth	123,333	498,288	3,331	618,290
S Nicholas	128,333	290,929	228,168	191,093
C P Baba	133,333	36,007	193,245	72,014
SCG Properties	-	-	-	-
The Savva Family	402,547	10,620,840	402,547	10,670,840
Other investors				
Other third party investors	-	1,457,000	-	2,697,001
	£ 787,546	£ 12,903,064	£ 827,291	£ 14,249,238
Included as due within one year (Note 12)	-	(1,712,845)	-	-
Due after more than one year	£ 787,546	£ 11,190,219	£ 827,291	£ 14,249,238

13 CREDITORS - Amounts falling due after more than one year (continued)

The 'A' loans are unsecured, accrue interest at a rate of 6% per annum and are repayable five years from the shareholder giving notice in writing to the company, with the exception of the loan from The Savva Family which is repayable two years from the shareholders giving notice in writing to the company

The 'B' loans are unsecured and accrue interest at a fixed rate of between 8% and 12% per annum The loan from The Savva Family is repayable two years from the shareholder giving notice in writing to the company £569,379 of the balance of 'B' loans is repayable five years from the shareholder giving notice in writing to the company and £1,712,845 is repayable on one month's notice (see Note 12)

14 DEFERRED TAXATION

	2010 £	2009 £
At 1 April 2009	-	20,070
Movement in year (Note 7)	-	(20,070)
At 31 March 2010	£ -	£ -

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Accelerated capital allowances	£ -	£ -

See Note 7 for information regarding unprovided deferred tax relating to investment property revaluations

15 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
133,336 Ordinary shares of £1 each	£ 133,336	£ 133,336

TIUTA PLC

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FOR THE YEAR ENDED 31 MARCH 2010

16 RESERVES

Group	Investment Property Revaluation reserve £	Profit and Loss Account £
At 1 April 2009	-	14,805
Profit for the year	-	620,440
Surplus on revaluation of investment properties (Note 8)	2,022,265	-
At 31 March 2010	£ 2,022,265	£ 635,245

Company	
At 1 April 2009	(1,599,093)
Loss for the year	(638,017)
At 31 March 2010	£ (2,237,110)

The company has taken advantage of the exemption under Section 408 of the Companies Act 2006 in not presenting its own Profit and Loss Account Loss after taxation amounting to £638,017 *(2009 – loss of £1,628,363)* has been dealt with in the financial statements of the company

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2010 £	2009 £
Group		
Profit/(loss) for the year	620,440	(1,482,922)
Dividends (Note 18)	-	(798,674)
Surplus on revaluation of investment properties	2,022,265	-
	2,642,705	(2,281,596)
Opening shareholders' funds	148,141	2,429,737
Closing shareholders' funds	£ 2,790,846	£ 148,141
Company		
Loss for the year	(638,017)	(1,628,363)
Dividends (Note 18)	-	(798,674)
	(638,017)	(2,427,037)
Opening shareholders' (deficit)/funds	(1,465,757)	961,280
Closing shareholders' deficit	£ (2,103,774)	£ (1,465,757)

18 DIVIDENDS

	2010 £	2009 £
Equity shares		
Dividend paid £Nil per share *(2009 – £5 99 per share)*	-	£ 798,674

During the prior year, the company declared a dividend of £798,674 50% of the dividend declared was distributed in cash and the remaining amount of £399,337 was capitalised and added to the principal outstanding on the shareholders' loan accounts

19 GROSS CASH FLOWS

	2010 £	2009 £
Reconciliation of operating profit to net cash outflow from operating activities		
Operating profit	8,071,262	4,320,550
Depreciation charges	245,590	196,807
Profit on disposal of investment properties	(23,242)	-
Impairment of fixed asset investments	95,387	-
Increase in trading loans	(35,467,978)	(9,880,954)
Increase in debtors	(730,441)	(283,667)
Increase in creditors	2,478,649	1,140,191
Net cash outflow from operating activities	£ (25,330,773)	£ (4,507,073)
Returns on investments and servicing of finance		
Interest received	208,030	129,747
Interest paid	(6,080,690)	(6,154,072)
Finance lease interest paid	(4,600)	(3,287)
	£ (5,877,260)	£ (6,027,612)
Capital expenditure		
Payments to acquire tangible fixed assets and investment properties	(9,500,927)	(2,550,055)
Payments to acquire fixed assets investments	-	(95,387)
Receipts from disposal of investment properties	641,897	-
	£ (8,859,030)	£ (2,645,442)
Financing		
Repayment of finance leases	(25,042)	(17,010)
Net repayment of bank loans	(26,264,676)	(14,492,150)
(Repayment of)/increase in other loans	(588,990)	3,488,996
Increase in secured loan - GLRIF facility	66,015,733	22,537,543
	£ 39,137,025	£ 11,517,379

20 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2009 £	Cash Flows £	Non-cash changes £	At 31 March 2010 £
Cash at bank and in hand	4,439,605	(1,145,225)	-	3,294,380
Debt due within one year	(65,533,908)	(39,351,057)	(1,712,845)	(106,597,810)
Debt due after one year	(16,230,029)	188,990	1,712,845	(14,328,194)
Finance leases	(37,197)	25,042	(98,235)	(110,390)
Total	£ (77,361,529)	£ (40,282,250)	£ (98,235)	£ (117,742,014)

Major non cash changes

£1,712,845 of the 'B' loans from shareholders and other investors (Note 13) have been reclassified as due within one year as they are repayable on one month's notice

21 OPERATING LEASE COMMITMENTS

At the year end the company and group had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
Operating leases which expire	Plant and machinery £	Land and Buildings £	Plant and machinery	Land and Buildings £
Between 2 and 5 years	3,021	-	-	-
After more than 5 years	-	190,350	-	190,350
	£ 3,021	£ 190,350	£ -	£ 190,350

22 CAPITAL COMMITMENTS

At 31 March 2010 the company had capital commitments as follows

	2010 £	2009 £
Contracted for but not provided in these financial statements	£ 360,000	£ -

TIUTA PLC

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FOR THE YEAR ENDED 31 MARCH 2010

23 RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

At 31 March 2010, the shareholders of the company had loans issued to the company as disclosed in Note 13 Interest payable on these loans was as follows

	2010 £	2009 £
G C Booth	57,229	66,582
S Nicholas	36,793	43,252
C P Baba	19,753	21,185
The Savva Family	1,310,410	1,272,183
	£1,424,185	£ 1,403,202

Interest accrued on the loans at 31 March 2010 and included within "accruals and deferred income" (Note 12) was as follows

	2010 £	2009 £
G C Booth	11,446	14,307
S Nicholas	7,359	9,198
C P Baba	3,151	5,298
The Savva Family	259,219	365,872
	£281,175	£ 394,675

The directors consider that there is no single controlling party

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FOR THE YEAR ENDED 31 MARCH 2010

24 PRINCIPAL SUBSIDIARIES

The principal subsidiaries of the company, the results of which are included in the Consolidated Financial Statements, are as follows

Company name	Country of incorporation	Percentage holding	Description
Tiuta Bridging Limited	England	100%	Provider of short term loans
Tiuta Finance Limited	England	100%	Provider of short term loans
Tiuta Funding Limited	England	100%	Provider of short term loans
Tiuta Loans Limited	England	100%	Provider of short term loans
Tiuta Credit Limited	England	100%	Provider of short term loans
Tiuta International Limited	England	100%	Provider of short term loans
Tiuta Assets Limited	England	100%	Property owning company
Tiuta Estates Limited	England	100%	Property owning company

The company also has the following wholly owned dormant subsidiaries, all registered in England and Wales, which are excluded from consolidation on grounds of materiality

Company name

Tiuta Brokers Limited
Tiuta Buy-To-Let Limited
Tiuta Commercial Developments Finance Limited
Tiuta Commercial Funding Limited
Tiuta Commercial Loans Limited
Tiuta Commercial Mortgages Limited
Tiuta Development Finance Limited
Tiuta Direct Limited
Tiuta Finance Brokers Limited
Tiuta Finance Innovation Limited
Tiuta Mortgages Limited
Tiuta Premier Limited
Tiuta Short-Term Finance Limited
Innovation Finance Limited