

TCC Holdings Limited

Directors' report and financial statements

for the period ended 31 December 2007

Registered number 05942164

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TCC Holdings Limited

Directors' report and financial statements

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TCC Holdings Limited

Directors' report

The directors present their first report and the financial statements for the period ended 31 December 2007

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Incorporation

The company was incorporated on 21 September 2006 as TCC Holdings Limited

Principal activity and review of the business

On 29 March 2007 the company acquired the whole of the issued share capital of Town Centre Garage (Sunderland) Limited by means of a share for share exchange. The value attributed to the shares was £1,220,000.

Following the share issue the company acquired its subsidiary undertaking's land and buildings for a consideration of £1,250,000.

The principal activity of the company is the letting of own property.

Results and dividends

The results for the period are set out on page 4.

The company's profit after tax for the financial period was £51,909.

During the period the directors have paid dividends amounting to £45,000.

TCC Holdings Limited

Directors' report

Directors

The directors who served during are as stated below

P Smith (appointed 21 September 2006)
S Smith (appointed 21 September 2006)
C P Sopp (appointed 21 September 2006)

Auditors

The Charlton Williamson Partnership LLP were appointed auditors to the company during the period under review and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting

This report was approved by the board on 17/5/08 and signed on its behalf by

Director

Handwritten signature
/

Independent auditors' report to the shareholders of TCC Holdings Limited

We have audited the financial statements of TCC Holdings Limited for the period ended 31 December 2007 on pages 4 to 14. These financial statements have been prepared under 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 audit 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 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 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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 director's 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 information given in the directors' report for the financial period ended 31 December 2007 is consistent with the financial statements,
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

The Charlton Williamson Partnership LLP
Registered Auditors

13 August 2008

TCC Holdings Limited

Profit and loss account

for the period ended 31 December 2007

| | | 2007 |
|--|-----------|---------------------|
| | Notes | £ |
| Turnover | 2 | 86,250 |
| Administrative expenses | | (5,104) |
| Operating profit | 3 | <u>81,146</u> |
| Interest payable and similar charges | 4 | (14,037) |
| Profit on ordinary activities before taxation | | <u>67,109</u> |
| Taxation | 6 | (15,200) |
| Profit on ordinary activities after taxation | | <u>51,909</u> |
| Dividends | 7 | (45,000) |
| Retained profit for the financial period | 16 | <u><u>6,909</u></u> |

There are no recognised gains or losses other than the profit or loss for the above financial period

The notes on pages 7 to 14 form an integral part of these financial statements

TCC Holdings Limited

Balance sheet

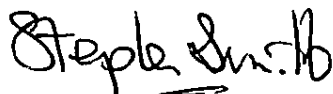
at 31 December 2007

| | Notes | £ | 2007 £ |
|--|-------|---------------|------------------|
| Fixed assets | | | |
| Investment properties | 8 | | 1,250,000 |
| Investments | 9 | | 1,233,757 |
| | | | <u>2,483,757</u> |
| Current assets | | | |
| Debtors | 11 | 889 | |
| Cash at bank and in hand | | 32,115 | |
| | | <u>33,004</u> | |
| Creditors: amounts falling due within one year | 12 | (43,019) | |
| Net current liabilities | | | <u>(10,015)</u> |
| Total assets less current liabilities | | | 2,473,742 |
| Creditors: amounts falling due after more than one year | 13 | | (1,187,632) |
| Provisions for liabilities and charges | 14 | | <u>(59,200)</u> |
| Net assets | | | <u>1,226,910</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | | 13,850 |
| Share premium account | 16 | | 1,206,151 |
| Profit and loss account | 16 | | 6,909 |
| Equity shareholders' funds | 17 | | <u>1,226,910</u> |

The financial statements were approved by the board on 13/1/08

and signed on its behalf by

Director



The notes on pages 7 to 14 form an integral part of these financial statements

TCC Holdings Limited

Cash flow statement

for the period ended 31 December 2007

| | Notes | 2007 £ |
|--|-------|------------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | |
| Operating profit | | 81,146 |
| Increase in debtors | | (889) |
| Increase in creditors | | 1,032,845 |
| Net cash inflow from operating activities | | <u>1,113,102</u> |

Cash flow statement

| | | |
|---|----|--------------------|
| Net cash inflow from operating activities | | 1,113,102 |
| Returns on investments and servicing of finance | 20 | (14,037) |
| Capital expenditure | 20 | (1,250,000) |
| Acquisitions and disposals | 20 | (1,233,757) |
| | | <u>(1,384,692)</u> |
| Equity dividends paid | | (45,000) |
| | | <u>(1,429,692)</u> |
| Financing | 20 | 1,461,807 |
| Increase in cash in the period | | <u>32,115</u> |

Reconciliation of net cash flow to movement in net funds (Note 21)

| | |
|--|------------------|
| Increase in cash in the period | 32,115 |
| Cash inflow from decrease in debts and lease financing | (241,806) |
| Net debt at 31 December 2007 | <u>(209,691)</u> |

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention

Turnover

Turnover represents the total invoice value, excluding value added tax, of rent receivable

Investment properties

Investment properties are revalued annually on an open market valuation. Surpluses on revaluation are taken to the investment properties revaluation reserve. Deficits on revaluation, where they are considered to be permanent, are taken through the profit and loss account.

Depreciation is not provided on investment properties, in accordance with Statement of Standard Accounting Practice No 19. The directors consider that this accounting policy, which represents a departure from the requirements of the Companies Act 1985 concerning depreciation of fixed assets, is necessary to provide a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

| | | |
|----------|---|---------------|
| 3 | Operating profit | 2007 |
| | | £ |
| | <i>Operating profit is stated after charging</i> | |
| | Directors remuneration | - |
| | Auditors' remuneration | 1000 |
| | | <u>1000</u> |
| 4 | Interest payable and similar charges | 2007 |
| | | £ |
| | Bank loan interest | 14,037 |
| | | <u>14,037</u> |
| 5 | Employees | |
| | Number of employees | |
| | The average monthly numbers of employees (including the directors) during the period were | |
| | | 2007 |
| | | Number |
| | Administration | 3 |
| | | <u>3</u> |
| 6 | Taxation | |
| | Analysis of charge in period | 2007 |
| | | £ |
| | Current tax | |
| | UK corporation tax | 10,400 |
| | Total current tax charge | <u>10,400</u> |
| | Deferred tax | |
| | Timing differences, origination and reversal | 4,800 |
| | Total deferred tax | <u>4,800</u> |
| | Tax on profit on ordinary activities | <u>15,200</u> |

TCC Holdings Limited

Notes to the financial statements for the period ended 31 December 2007

6 Taxation (continued)

| Factors affecting tax charge for period | 2007 £ |
|---|-------------------|
| Profit on ordinary activities before taxation | <u>67,109</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% | 13,422 |
| Capital allowances for period in excess of depreciation | (3,210) |
| Change in tax rate | (6) |
| Other | 194 |
| Current tax charge for period | <u>10,400</u> |

7 Dividends

| | 2007 £ |
|------------------------------------|-------------------|
| Dividends on equity shares: | |
| Ordinary shares - paid | <u>45,000</u> |

8 Investment properties

| | Freehold land and buildings £ |
|-----------------------|--|
| <i>Cost</i> | |
| Additions | <u>1,250,000</u> |
| At end of period | <u>1,250,000</u> |
| <i>Net book value</i> | |
| At 31 December 2007 | <u>1,250,000</u> |

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

9 Investments

| | Subsidiary undertakings shares £ |
|------------------------|---|
| <i>Cost</i> | |
| Additions | |
| - Share issue (note 9) | 1 220 000 |
| - Associated costs | 13,757 |
| At end of period | <u>1,233,757</u> |
| <i>Net book value</i> | |
| At 31 December 2007 | <u><u>1,233,757</u></u> |

The company holds 20% or more of the share capital of the following company

| Company | Country of registration or incorporation | Nature of business | Shares held class | Proportion of shares held |
|---|---|-------------------------------|------------------------------|--|
| Town Centre Garage (Sunderland) Limited | England | Vehicle retail | Ordinary | 100% |

The aggregate amount of capital and reserves and the results of this undertaking for the post acquisition period were as follows

| | Capital and reserves £ | Loss for the period £ |
|---|-----------------------------------|----------------------------------|
| Town Centre Garage (Sunderland) Limited | <u>1,181,407</u> | <u>(52,470)</u> |

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

10 Acquisition of subsidiary undertaking

On 29 March 2007 the company acquired the entire issued share capital of Town Centre Garage (Sunderland) Limited via a share exchange agreement. The fair value of the assets and liabilities acquired were as follows

| | £ |
|----------------------------|------------------|
| Net assets acquired | |
| Tangible fixed assets | 1,315,249 |
| Stock | 1,043,781 |
| Debtors | 1,585,437 |
| Cash at bank | 5 150 |
| Bank overdraft | (882,246) |
| Creditors | (1,847,371) |
| | <u>1,220,000</u> |
| | |
| Satisfied by | |
| Share issue | 1,220 000 |
| | <u>1,220,000</u> |

| 11 Debtors | 2007 |
|--------------------------------|------------|
| | £ |
| Prepayments and accrued income | 889 |
| | <u>889</u> |

| 12 Creditors: amounts falling due within one year | 2007 |
|---|---------------|
| | £ |
| Bank loan (secured) | 22,000 |
| Trade creditors | 889 |
| Corporation tax | 10,400 |
| Other taxes and social security costs | 3,354 |
| Directors' accounts | 4,099 |
| Accruals and deferred income | 2,277 |
| | <u>43,019</u> |

The bank loan is secured by a legal charge dated 29 March 2007 over the company's investment property

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

| | | |
|-----------|--|--|
| 13 | Creditors, amounts falling due after more than one year | 2007 £ |
| | Bank loan (secured) | 219,806 |
| | Amounts due to subsidiary undertaking | 967,826 |
| | | <u>1,187,632</u> |
| | Bank loan | |
| | Repayable in one year or less, or on demand (Note 12) | 22,000 |
| | Repayable between one and two years | 22,000 |
| | Repayable between two and five years | 66,000 |
| | Repayable in five years or more | 131,806 |
| | | <u>241,806</u> |
| 14 | Provisions for liabilities and charges | Deferred taxation £ |
| | Movements in the period | |
| | - Transfer from subsidiary undertaking | 54,400 |
| | - Charge to profit and loss account | 4,800 |
| | At end of period | <u>59,200</u> |
| | Deferred taxation | |
| | Deferred tax is analysed over the following timing differences provided at 30% | |
| | | Provided 2007 £ |
| | Accelerated capital allowances | <u>59,200</u> |

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

| | | | | |
|-----------|--|--|--|--------------------|
| 15 | Share capital | | | 2007 £ |
| | <i>Authorised equity</i> | | | |
| | 5,000,000 Ordinary shares of £1 each | | | 5,000,000 |
| | <i>Allotted, called up and fully paid</i> | | | |
| | 13,850 Ordinary shares of £1 each | | | 13,850 |
| | | | | |
| 16 | Equity Reserves | Share premium account £ | Profit and loss account £ | Total £ |
| | Premium on issue of shares | 1,206,151 | - | 1,206,151 |
| | Retained profit for the period | - | 6,909 | 6,909 |
| | At end of period | <u>1,206,151</u> | <u>6,909</u> | <u>1,213,060</u> |
| | | | | |
| 17 | Reconciliation of movements in shareholders' funds | | | 2007 £ |
| | Profit for the period | | | 51,909 |
| | Dividends | | | (45,000) |
| | Net proceeds of equity share issue | | | 1,220,001 |
| | Closing shareholders' funds | | | <u>1,226,910</u> |
| | | | | |
| 18 | Contingent liabilities | | | |
| | The company has provided an unlimited guarantee in respect of the bank balances due by Town Centre Garage (Sunderland) Limited, a subsidiary undertaking, on bank standard form supported by a first legal charge over the company's investment property. The total of such borrowings at 31 December 2007 amounted to £329,238. | | | |
| | | | | |
| 19 | Related party transactions | | | |
| | During the period under review Town Centre Garage (Sunderland) Ltd, a wholly owned subsidiary, transferred investment property valued at £1,250,000 to the company. | | | |
| | Included within turnover is £86,250 rent receivable from the subsidiary undertaking. | | | |

TCC Holdings Limited

Notes to the financial statements

for the period ended 31 December 2007

20 Gross cash flows

| | 2007 £ |
|--|------------------|
| Returns on investments and servicing of finance | |
| Interest paid | (14,037) |
| Capital expenditure | |
| Payments to acquire tangible assets | (1,250,000) |
| Acquisitions and disposals | |
| Payments on acquisition of group interests | (1,233,757) |
| Financing | |
| Issue of ordinary share capital | 1,220,001 |
| New long term bank loan | 257,531 |
| Repayment of long term bank loan | (15,725) |
| | <u>1,461,807</u> |

21 Analysis of changes in net funds

| | Cash flows | Other changes | Closing balance |
|--------------------------|------------------|------------------|--------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 32,115 | - | 32,115 |
| Debt due within one year | 15,725 | (37,725) | (22,000) |
| Debt due after one year | (257,531) | 37,725 | (219,806) |
| | <u>(241,806)</u> | - | <u>(241,806)</u> |
| Net funds | <u>(209,691)</u> | - | <u>(209,691)</u> |