

TCC Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2008

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 report and the financial statements for the year ended 31 December 2008.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 year. 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.

Principal activity and review of the business

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

Results and dividends

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

The company's profit after tax for the financial year was £163,512 (2007: £51,909).

The directors are encouraged by the trading results achieved in the first full year of the trading and the significant increase in profitability during the period.

This has resulted in the company maintaining its strong asset base at the balance sheet date and, as a consequence, the directors view the forthcoming year with cautious optimism.

During the year the company has paid dividends amounting to £140,000.

TCC Holdings Limited

Directors' report

Directors

The directors who served during are as stated below:

P Smith
S Smith
C P Sopp

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that The Charlton Williamson Partnership LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the board on **24th September 2009** and signed on its behalf by

Director

C P Sopp

Independent auditors' report to the shareholders of TCC Holdings Limited

We have audited the financial statements of TCC Holdings Limited for the year ended 31 December 2008 on pages 4 to 13. 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 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 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

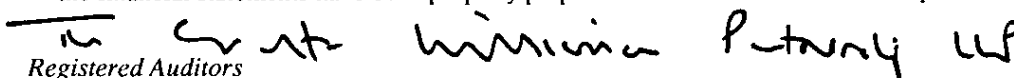
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 year ended 31 December 2008 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 2008 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Registered Auditors

24 September 2009

TCC Holdings Limited

Profit and loss account

for the year ended 31 December 2008

		2008	2007
	Notes	£	£
Turnover	2	115,000	86,250
Administrative expenses		<u>(5,792)</u>	<u>(5,104)</u>
Operating profit	3	109,208	81,146
Investment income	4	70,000	-
Interest payable and similar charges	5	<u>(14,785)</u>	<u>(14,037)</u>
Profit on ordinary activities before taxation		164,423	67,109
Taxation	7	<u>(911)</u>	<u>(15,200)</u>
Profit on ordinary activities after taxation		163,512	51,909
Dividends	8	<u>(140,000)</u>	<u>(45,000)</u>
Retained profit for the financial year	16	<u>23,512</u>	<u>6,909</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 13 form an integral part of these financial statements.

TCC Holdings Limited

Balance sheet

at 31 December 2008

	Notes	£	2008 £	£	2007 £ as restated
Fixed assets					
Tangible fixed assets	9		1,250,000		1,250,000
Investments	10		1,233,757		1,233,757
			<u>2,483,757</u>		<u>2,483,757</u>
Current assets					
Debtors	11	941		889	
Cash at bank and in hand		<u>266</u>		<u>32,115</u>	
		1,207		33,004	
Creditors: amounts falling due within one year	12	<u>(103,980)</u>		<u>(43,019)</u>	
Net current liabilities			<u>(102,773)</u>		<u>(10,015)</u>
Total assets less current liabilities			2,380,984		2,473,742
Creditors: amounts falling due after more than one year	13		(1,087,562)		(1,187,632)
Provisions for liabilities and charges	14		<u>(43,000)</u>		<u>(59,200)</u>
Net assets			<u>1,250,422</u>		<u>1,226,910</u>
Capital and reserves					
Called up share capital	15		13,850		13,850
Share premium account	16		1,206,151		1,206,151
Profit and loss account	16		<u>30,421</u>		<u>6,909</u>
Equity shareholders' funds	17		<u>1,250,422</u>		<u>1,226,910</u>

The financial statements were approved by the board on behalf by 24/1/09

and signed on its

Director

Steph Smith

The notes on pages 7 to 13 form an integral part of these financial statements.

TCC Holdings Limited

Cash flow statement

for the year ended 31 December 2008

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		109,208	81,146
Increase in debtors		(52)	(889)
(Decrease)/increase in creditors		(20,875)	1,032,845
Net cash inflow from operating activities		<u>88,281</u>	<u>1,113,102</u>

Cash flow statement

Net cash inflow from operating activities		88,281	1,113,102
Returns on investments and servicing of finance	20	55,215	(14,037)
Taxation		(10,711)	-
Capital expenditure	20	-	(1,250,000)
Acquisitions and disposals	20	-	(1,233,757)
		<u>132,785</u>	<u>(1,384,692)</u>
Equity dividends paid		(140,000)	(45,000)
		<u>(7,215)</u>	<u>(1,429,692)</u>
Financing	20	(24,634)	1,461,807
(Decrease)/increase in cash in the year		<u>(31,849)</u>	<u>32,115</u>

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

(Decrease)/increase in cash in the year		(31,849)	32,115
Cash inflow from increase in debts and lease financing		(24,634)	(241,806)
Change in net funds resulting from cash flows		(7,215)	(209,691)
Net debt at 31 December 2007		<u>(209,691)</u>	<u>-</u>
Net debt at 31 December 2008		<u>(216,906)</u>	<u>(209,691)</u>

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

1 Accounting policies

The financial statements are prepared in accordance with United Kingdom applicable accounting standards, which have been applied consistently in both the current and prior year. The particular accounting policies adopted are described below. The true and fair override provisions of the Companies Act 1985 have been invoked - see 'tangible fixed assets and depreciation'.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation

The directors have taken advantage of the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts. Accordingly, the company's financial statements present information about it as an individual undertaking and not about its group.

Turnover

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Freehold buildings have not been depreciated during the year in accordance with the true and fair principle as the directors believe that this represents a more accurate view.

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.

Restatement of comparatives

The balance sheet comparatives figures have been restated. The effect was to reclassify investment properties freehold land and buildings to tangible fixed assets freehold land and buildings.

2 Turnover

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

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

3	Operating profit	2008	2007
		£	£
	<i>Operating profit is stated after charging:</i>		
	Directors' remuneration	-	-
	Auditors' remuneration	1,100	1,000
		<u>1,100</u>	<u>1,000</u>
4	Income from investments	2008	2007
		£	£
	Dividends received from subsidiary undertaking	70,000	-
		<u>70,000</u>	<u>-</u>
5	Interest payable and similar charges	2008	2007
		£	£
	Bank loan interest	14,785	14,037
		<u>14,785</u>	<u>14,037</u>
6	Employees		
	Number of employees		
	The average monthly numbers of employees (including the directors) during the year were:		
		2008	2007
		Number	Number
	Administration	3	3
		<u>3</u>	<u>3</u>
7	Taxation		
	Analysis of charge in period	2008	2007
		£	£
	Current tax		
	UK corporation tax	16,800	10,400
	Adjustments in respect of previous periods	311	-
	Total current tax charge	<u>17,111</u>	<u>10,400</u>
	Deferred tax		
	Timing differences, origination and reversal	(16,200)	4,800
	Total deferred tax	<u>(16,200)</u>	<u>4,800</u>
	Tax on profit on ordinary activities	<u>911</u>	<u>15,200</u>

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

7 Taxation (continued)

Factors affecting tax charge for period	2008 £	2007 £
Profit on ordinary activities before taxation	<u>164,423</u>	<u>67,109</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2007 : 20%)	34,529	13,422
Expenses not deductible for tax purposes	21	-
Capital allowances for period in excess of depreciation	(2,850)	(3,210)
Non-taxable group income	(14,700)	-
Change in tax rate	(200)	(6)
Other	-	194
Adjustments to tax charge in respect of previous periods	<u>311</u>	<u>-</u>
Current tax charge for period	<u>17,111</u>	<u>10,400</u>

8 Dividends	2008 £	2007 £
Dividends on equity shares:		
Ordinary shares - paid	<u>140,000</u>	<u>45,000</u>

9 Tangible fixed assets	Freehold land and buildings £ as restated
<i>Cost and net book value</i>	
At beginning and end of year	<u>1,250,000</u>

10 Investments	Subsidiary undertakings shares £
<i>Cost and net book value</i>	
At beginning and end of year	<u>1,233,757</u>

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

10 Investments (continued)

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 last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Town Centre Garage (Sunderland) Limited	<u>1,197,871</u>	<u>16,464</u>

11 Debtors	2008 £	2007 £
Prepayments and accrued income	<u>941</u>	<u>889</u>

12 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loan (secured)	27,436	22,000
Trade creditors	1,730	889
Corporation tax	16,800	10,400
Other taxes and social security costs	3,115	3,354
Directors' accounts	53,035	4,099
Accruals and deferred income	1,864	2,277
	<u>103,980</u>	<u>43,019</u>

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

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

13	Creditors: amounts falling due after more than one year	2008	2007
		£	£
	Bank loan (secured)	189,736	219,806
	Amounts due to subsidiary undertaking	897,826	967,826
		<u>1,087,562</u>	<u>1,187,632</u>
	Bank loan		
	Repayable in one year or less, or on demand (Note 12)	27,436	22,000
	Repayable between one and two years	27,436	22,000
	Repayable between two and five years	82,309	66,000
	Repayable in five years or more	79,991	131,806
		<u>217,172</u>	<u>241,806</u>

14	Provisions for liabilities and charges	Deferred taxation
		£
	At beginning of year	59,200
	Movement in the year	16,200
	At end of year	<u>43,000</u>

Deferred taxation

Deferred tax is analysed over the following timing differences provided at 21% (2007: 30%):

	Not provided		Provided	
	2008	2007	2008	2007
	£	£	£	£
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>43,000</u>	<u>59,200</u>

The company's freehold property was transferred from Town Centre Garage (Sunderland) Limited, a wholly owned subsidiary at a value of £1,250,000.

It is the company's intention to retain the property for the foreseeable future. No deferred tax has been provided on the gains arising from the transfer as such tax would only become payable if the property were sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £53,000.

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

15	Share capital	2008	2007
		£	£
	<i>Authorised equity</i>		
	5,000,000 Ordinary shares of £1 each	5,000,000	5,000,000
	<i>Allotted, called up and fully paid</i>		
	13,850 Ordinary shares of £1 each	13,850	13,850

16	Equity Reserves	Share premium account	Profit and loss account	Total
		£	£	£
	At beginning of year	1,206,151	6,909	1,213,060
	Retained profit for the year	-	23,512	23,512
	At end of year	1,206,151	30,421	1,236,572

17	Reconciliation of movements in shareholders' funds	2008	2007
		£	£
	Profit for the year	163,512	51,909
	Dividends	(140,000)	(45,000)
	Net proceeds of equity share issue	-	1,220,001
	Net increase in shareholders' funds	23,512	1,226,910
	Opening shareholders' funds	1,226,910	-
	Closing shareholders' funds	1,250,422	1,226,910

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 freehold property. The total of such borrowings at 31 December 2008 amounted to £194,393 (2007:£329,238).

19 Related party transactions

Included within turnover is £115,000 (2007:£86,250) rent receivable from Town Centre Garage (Sunderland) Limited, a subsidiary undertaking.

TCC Holdings Limited

Notes to the financial statements

for the year ended 31 December 2008

20 Gross cash flows

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest paid	(14,785)	(14,037)
Dividends received	70,000	-
	<u>55,215</u>	<u>(14,037)</u>
Capital expenditure		
Payments to acquire tangible assets	-	(1,250,000)
	<u>-</u>	<u>(1,250,000)</u>
Acquisitions and disposals		
Payments on acquisition of group interests	-	(1,233,757)
	<u>-</u>	<u>(1,233,757)</u>
Financing		
Issue of ordinary share capital	-	1,220,001
New long term bank loan	-	257,531
Repayment of long term bank loan	(24,634)	(15,725)
	<u>(24,634)</u>	<u>1,461,807</u>

21 Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	32,115	(31,849)	266
Debt due within one year	(22,000)	(5,436)	(27,436)
Debt due after one year	(219,806)	30,070	(189,736)
	<u>(241,806)</u>	<u>24,634</u>	<u>(217,172)</u>
Net funds	<u>(209,691)</u>	<u>(7,215)</u>	<u>(216,906)</u>