

5281723

TM Search Choice Limited

(formerly Search Choice Limited)

Report and Financial Statements

Year Ended

31 December 2008



BDO Stoy Hayward
Chartered Accountants

TM Search Choice Limited

**Annual report and financial statements
for the year ended 31 December 2008**

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Directors

P Albone
T Brown
J Carolan
P Creffield
G Edwards
R Shipperley

Secretary and registered office

T Brown, 200 Delta Business Park, Swindon SN5 7XD.

Company number

5281723

Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.

TM Search Choice Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the period ended 31 December 2008.

Principal activities and future developments

The company provides an electronic transaction and information infrastructure for land and property professionals in the UK. There have been no changes in the company's activities in the year under review although the business has continued to develop its range of direct search ordering. The development and extension of search ordering facilities that secure new business opportunities remains the priority.

Review of the business

The profit and loss account is set out on page 5 and shows turnover for the year up by 50% to £27.0m. However the company made an operating loss of £0.1m in 2008. The increase in turnover reflected the volume impact of HIPs but these carried with them lower margins as the more traditional conveyancing search market fell rapidly over the year. TM Search Choice had invested heavily to support the HIP market and the severely reduced volumes due to the change in the economy had an immediate impact on profitability.

At the end of 2008 the company changed its name as part of a corporate rebranding exercise that was launched in the first quarter of 2009. TM Search Choice has continued to sign new, significant clients and to invest in its core IT infrastructure to ensure that it is well placed to return to significant profitability as the market conditions ease.

A dividend of £1,500,000 was paid during the year.

Principal risk and uncertainties

The entire property market is still in a very poor situation and there is no certainty or agreement quite how long this position will last. Even the future of HIPs is uncertain as not all political parties feel they are relevant.

However TM Search Choice will continue to develop search opportunities to provide an ever more extensive range of facilities to the broadening customer base.

TM Search Choice continues to position itself within its market place, with its customers and suppliers, as an innovative organisation that is providing and developing secure and consistently high service levels. This, with the support of very loyal and stable staff, remains the focus as the market begins to ease.

Summary

The directors are content with the results for 2008 given market and economic conditions and the business has shown signs of recovery by the end of the first half of 2009.

It is certain that 2009 will see further changes across the market and TM Search Choice will continue to create opportunities for its own development and growth.

Directors

The directors of the company during the year were:

P Albone	(appointed 24 January 2008)
T Brown	
J Carolan	
P Creffield	(appointed 2 May 2008)
G Edwards	(appointed 24 January 2008)
H Hill	(resigned 2 May 2008)
C Kemp	(resigned 24 January 2008)
R Shipperley	

TM Search Choice Limited

Report of the directors for the year ended 31 December 2008 (*Continued*)

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.

Company law requires the directors to prepare financial statements for each financial period 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

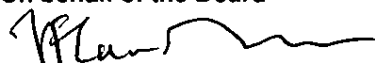
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board


J Carolan

Director

Date 24th September 2009

TM Search Choice Limited

Report of the Independent auditors

To the shareholders of TM Search Choice Limited

We have audited the financial statements of TM Search Choice Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

TM Search Choice Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion:

- 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;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the directors is consistent with the financial statements.


BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors
London*

24 September 2009

TM Search Choice Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	27,020	17,971
Cost of sales		22,938	13,298
Gross profit		4,082	4,673
Administrative expenses		4,215	3,452
Operating (loss)/profit	5	(133)	1,221
Interest receivable	6	207	213
Profit on ordinary activities before taxation		74	1,434
Taxation on profit from ordinary activities	7	28	48
Profit on ordinary activities after taxation		46	1,386

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements

TM Search Choice Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Intangible assets	8		359		359
Tangible assets	9		300		378
			<u>659</u>		<u>737</u>
Current assets					
Debtors	10	1,289		2,485	
Cash at bank and in hand		3,690		3,061	
		<u>4,979</u>		<u>5,546</u>	
Creditors: amounts falling due within one year	11	3,945		3,136	
		<u></u>		<u></u>	
Net current assets			<u>1,034</u>		<u>2,410</u>
Net assets			<u>1,693</u>		<u>3,147</u>
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account			1,693		3,147
			<u>1,693</u>		<u>3,147</u>
Shareholders' funds	13		<u>1,693</u>		<u>3,147</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24th September 2009


J Carolan
Director

The notes on pages 7 to 12 form part of these financial statements

TM Search Choice Limited

Notes forming part of the financial statements for the year ended 31 December 2008

1 Accounting policies

The financial statements have been prepared on a going concern basis under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Goodwill

Goodwill arising on acquisitions is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Positive goodwill is capitalised and an impairment review is carried out on an annual basis. The goodwill is stated at historic cost less any necessary impairment.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided on tangible fixed assets to write off the cost or valuation, less estimated residual values, over their estimated useful lives on a straight line basis at the following principal rates:

Computer equipment	-	33⅓% per annum
Fixtures, fittings and equipment	-	33⅓% per annum
Computer software	-	Over a 3 to 7 year period
Motor vehicles	-	25% reducing balance

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over the period the company expects to benefit from the expenditure. Development costs comprising computer software are included in fixed assets.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

TM Search Choice Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

1 Accounting policies (Continued)

Leased assets

Assets acquired under finance leases are capitalised and written off over the shorter of their useful lives and the terms of the lease. The interest element of the lease charges is apportioned over the period of the lease on the basis of the rate implicit in the lease. Operating lease rentals are charged to the profit and loss account in the year to which they relate.

Pension costs

The company contributes an amount based on the basic salary of each staff member to a private pension of their choice. These amounts are charged to the profit and loss account as incurred.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

	2008 £'000	2007 £'000
Staff costs (including directors) consist of:		
Wages and salaries	2,046	1,831
Social security costs	270	204
Other pension costs	63	50
	<u>2,379</u>	<u>2,085</u>

The average number of employees, including directors, during the year was 59 (2007 - 43).

4 Directors' remuneration

	2008 £'000	2007 £'000
Directors' emoluments consist of:		
Fees and remuneration for management services	419	268
Payments to personal pension schemes	8	4
	<u>427</u>	<u>272</u>

The highest paid director received emoluments of £186,418 in the year.

TM Search Choice Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

5 Operating profit

	2008 £'000	2007 £'000
This has been arrived at after charging:		
Depreciation of tangible fixed assets	323	190
Auditors' remuneration - audit services	15	-
	<u> </u>	<u> </u>

The auditors' remuneration was accounted and paid for by the parent company in 2007.

6 Interest receivable

	2008 £'000	2007 £'000
Bank interest receivable	207	213
	<u> </u>	<u> </u>

7 Taxation on profit from ordinary activities

	2008 £'000	2007 £'000
<i>Current tax</i>		
Corporation tax charge for the year	28	48
	<u> </u>	<u> </u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	74	1,434
	<u> </u>	<u> </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28.50% (2007 - 30%)	21	430
Effects of:		
Expenses not deductible for tax purposes	-	1
Marginal relief	(7)	(8)
Depreciation in excess of/(less than) capital allowances	35	(15)
Group relief	-	(8)
Utilisation of losses	-	(377)
Short term timing differences	(21)	25
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	28	48
	<u> </u>	<u> </u>

No deferred tax asset has been recognised in respect of trading losses carried forward of £171,541 (2007 - £171,541) due to uncertainty over the timing of their utilisation and recovery.

TM Search Choice Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

8 Fixed assets - Intangible assets

	Purchased goodwill £'000
<i>Cost</i>	
At 1 January 2008 and at 31 December 2008	359
<i>Impairment</i>	
At 1 January 2008 and at 31 December 2008	-
<i>Net book value</i>	
At 31 December 2008	359
At 31 December 2007	359

On 1 January 2005 the company acquired business assets from TM Property Searches Limited, a fellow subsidiary of TM Group (UK) Limited. Fixed assets with a net book value of £391,000 were acquired for a consideration of £750,000 resulting in goodwill of £359,000. No fair value adjustments were required.

9 Fixed assets - Tangible assets

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Computer software £'000	Total £'000
<i>Cost</i>				
At 1 January 2008	-	748	769	1,517
Additions	36	128	81	245
At 31 December 2008	36	876	850	1,762
<i>Depreciation</i>				
At 1 January 2008	-	477	662	1,139
Provided in the year	9	302	12	323
At 31 December 2008	9	779	674	1,462
<i>Net book value</i>				
At 31 December 2008	27	97	176	300
At 31 December 2007	-	271	107	378

TM Search Choice Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

10 Debtors

	2008 £'000	2007 £'000
Trade debtors	1,150	2,379
Prepayments and accrued income	139	106
	<u>1,289</u>	<u>2,485</u>

11 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	43	305
Corporation tax	28	48
Tax and social security	84	273
Accruals and deferred income	1,038	1,612
Amounts due to group companies	2,752	898
	<u>3,945</u>	<u>3,136</u>

12 Share capital

	2008 Number	Authorised		2007 £
		2008 £	2007 Number	
Ordinary shares of £1 each	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>
	2008 Number	Allotted and called up 2008 £'000	2007 Number	2007 £'000
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13 Reconciliation of movements in shareholders' funds

	£'000
At 1 January 2008	3,147
Profit for the year	46
Dividends paid	<u>(1,500)</u>
At 31 December 2008	<u>1,693</u>

TM Search Choice Limited

Notes forming part of the financial statements for the year ended 31 December 2008 *(Continued)*

14 Dividends	£'000
Final dividend paid on ordinary shares at £1,500 per share	1,500

15 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by TM Group (UK) Limited. On the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in those consolidated financial statements.

16 Ultimate parent undertaking

At 31 December 2008 TM Search Choice Limited's ultimate parent company was TM Group (UK) Limited, which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the financial statements of TM Group (UK) Ltd are available from Companies House.

17 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash flow statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.