

**THE TOWN & COUNTY  
MOTOR GARAGE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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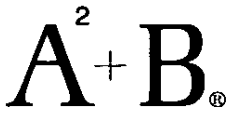
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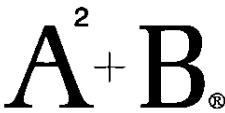
**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**COMPANY INFORMATION**



|                          |   |
|--------------------------|---|
| <b>DIRECTORS</b>         | A G Strachan<br>J E Strachan                        |
| <b>COMPANY SECRETARY</b> | Paull & Williamsons LLP                             |
| <b>COMPANY NUMBER</b>    | SC007861  |
| <b>REGISTERED OFFICE</b> | Union Plaza<br>1 Union Wynd<br>Aberdeen<br>AB10 1DQ |

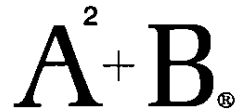
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# **THE TOWN & COUNTY MOTOR GARAGE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**



The directors present their report and the financial statements for the year ended 31 December 2011.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company are the operation of vehicle dealerships and the letting of property.

### **BUSINESS REVIEW**

An overall review of the results is considered on a group basis in the accounts of the parent company T&C Assets Limited.

### **RESULTS**

The profit for the year, after taxation, amounted to £239,423 (2010 - £132,940).

### **DIRECTORS**

The directors who served during the year were:

A G Strachan  
J E Strachan

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors continue to monitor the position with regard to the principal risks associated with the motor trade and as such are continually seeking new opportunities both within and out with the industry.

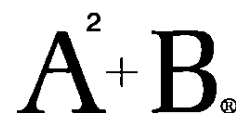
### **PROVISION OF INFORMATION TO AUDITORS**

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
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**



**AUDITORS**

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

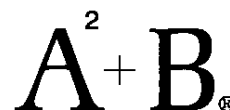
This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A G Strachan', written over a dotted line.

**A G Strachan**  
Director

Date: 21/5/12

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**



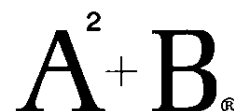
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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 affairs of the company and of the profit or loss of the company 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;
- 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
THE TOWN & COUNTY MOTOR GARAGE LIMITED**



We have audited the financial statements of The Town & County Motor Garage Limited for the year ended 31 December 2011, set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 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 explained more fully in the Directors' responsibilities statement, the 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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 year for which the financial statements are prepared is consistent with the financial statements.

**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**A<sup>2</sup>+B<sup>®</sup>**

**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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

*Anderson Anderson & Brown LLP*

John Black (Senior statutory auditor)

for and on behalf of

**Anderson Anderson & Brown LLP**

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date: *21 MAY 2012*



**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**A<sup>2</sup>+B<sup>®</sup>**

|  | Note | 2011<br>£      | 2010<br>£      |
|--|------|----------------|----------------|
| <b>TURNOVER</b>                                      | 1,2  | 9,399,516      | 13,635,040     |
| Cost of sales  |      | (8,233,863)    | (12,359,706)   |
|  |      | <hr/>          | <hr/>          |
| <b>GROSS PROFIT</b>                                  |      | 1,165,653      | 1,275,334      |
| Administrative expenses                              |      | (799,874)      | (960,976)      |
|  |      | <hr/>          | <hr/>          |
| <b>OPERATING PROFIT</b>                              | 3    | 365,779        | 314,358        |
| Interest payable and similar charges                 | 6    | (83,214)       | (87,874)       |
| Other finance income                                 | 7    | (25,000)       | (21,000)       |
|  |      | <hr/>          | <hr/>          |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 257,565        | 205,484        |
| Tax on profit on ordinary activities                 | 8    | (18,142)       | (72,544)       |
|  |      | <hr/>          | <hr/>          |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 16   | <u>239,423</u> | <u>132,940</u> |

All amounts relate to continuing operations.

The notes on pages 9 to 22 form part of these financial statements.

**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**A<sup>2</sup> + B<sup>®</sup>**

|   | Note | 2011<br>£      | 2010<br>£      |
|---|------|----------------|----------------|
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                              |      | 239,423        | 132,940        |
| Actuarial gain related to pension scheme                          | 20   | 5,000          | (5,000)        |
| Deferred tax attributable to actuarial gain                       | 20   | (6,750)        | (880)          |
| <b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO<br/>THE YEAR</b> |      | <u>237,673</u> | <u>127,060</u> |

The notes on pages 9 to 22 form part of these financial statements.

**THE TOWN & COUNTY MOTOR GARAGE LIMITED**  
**REGISTERED NUMBER: SC007861**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

**A<sup>2</sup> + B<sup>®</sup>**

|   | Note | £                | 2011<br>£               | £                | 2010<br>£               |
|---|------|------------------|-------------------------|------------------|-------------------------|
| <b>FIXED ASSETS</b>   |      |                  |                         |                  |                         |
| Tangible assets   | 9    |                  | 3,477,445               |                  | 3,208,646               |
| Investments   |      |                  | 49,718                  |                  | 54,677                  |
|   |      |                  | <u>3,527,163</u>        |                  | <u>3,263,323</u>        |
| <b>CURRENT ASSETS</b>   |      |                  |                         |                  |                         |
| Stocks  | 10   | 1,562,001        |                         | 1,745,187        |                         |
| Debtors   | 11   | 3,355,951        |                         | 3,509,501        |                         |
|   |      | <u>4,917,952</u> |                         | <u>5,254,688</u> |                         |
| <b>CREDITORS:</b> amounts falling due within one year           | 12   | (3,277,549)      |                         | (3,247,940)      |                         |
| <b>NET CURRENT ASSETS</b>                                       |      |                  | <u>1,640,403</u>        |                  | <u>2,006,748</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                    |      |                  | <u>5,167,566</u>        |                  | <u>5,270,071</u>        |
| <b>CREDITORS:</b> amounts falling due after more than one year  | 13   |                  | (768,599)               |                  | (784,500)               |
| <b>PROVISIONS FOR LIABILITIES</b>                               |      |                  |                         |                  |                         |
| Deferred tax  | 14   |                  | <u>(134,987)</u>        |                  | <u>(161,264)</u>        |
| <b>NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b> |      |                  | <u>4,263,980</u>        |                  | <u>4,324,307</u>        |
| Defined benefit pension scheme liability                        | 20   |                  | <u>(124,000)</u>        |                  | <u>(192,000)</u>        |
| <b>NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b> |      |                  | <u><u>4,139,980</u></u> |                  | <u><u>4,132,307</u></u> |
| <b>CAPITAL AND RESERVES</b>                                     |      |                  |                         |                  |                         |
| Called up share capital   | 15   |                  | 32,755                  |                  | 32,755                  |
| Revaluation reserve   | 16   |                  | 177,307                 |                  | 183,217                 |
| Capital redemption reserve                                      | 16   |                  | 34,103                  |                  | 34,103                  |
| Profit and loss account   | 16   |                  | <u>3,895,815</u>        |                  | <u>3,882,232</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                                      | 17   |                  | <u><u>4,139,980</u></u> |                  | <u><u>4,132,307</u></u> |

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



**A G Strachan**  
 Director

Date: 21/5/12



## 1. ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain properties and in accordance with applicable accounting standards.

### 1.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The group have operated within their banking facilities in 2011 and forecast to operate within these for the next 12 months and beyond. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

### 1.5 Tangible fixed assets and depreciation

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

|                     |   |                   |
|---------------------|---|-------------------|
| Freehold property   | - | 2% straight line  |
| Plant & machinery   | - | 20% straight line |
| Motor vehicles      | - | 50% straight line |
| Fixtures & fittings | - | 20% straight line |
| Computer equipment  | - | 50% straight line |

### 1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.



**1. ACCOUNTING POLICIES (continued)**

**1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.8 Operating leases**

Rentals under operating leases are charged to the 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.

**1.9 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.10 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.

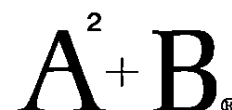
Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



1. ACCOUNTING POLICIES (continued)

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 1 January 2010.

The scheme is closed to new entrants and accrual of new benefits for active members has ceased. This scheme is contracted out of the state scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits for the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme. In addition, the company contributes to the personal pension plans of certain employees.

The financial statements include full implementation of Financial Reporting Standard 17 – Retirement Benefits, which requires the pension scheme assets and liabilities to be recorded on the balance sheet.

2. TURNOVER

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

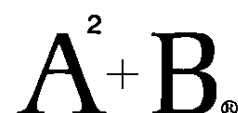
The operating profit is stated after charging:

|  | 2011<br>£         | 2010<br>£         |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: |                   |                   |
| - owned by the company                 | 158,797           | 108,126           |
| Auditors' remuneration                 | 14,750            | 14,750            |
| Operating lease rentals:               |                   |                   |
| - other operating leases               | 66,027            | 50,495            |
|  | <u>          </u> | <u>          </u> |



**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**



**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

|                               | 2011<br>£      | 2010<br>£      |
|-------------------------------|----------------|----------------|
| Wages and salaries            | 789,434        | 805,549        |
| Social security costs         | 76,372         | 81,442         |
| Other pension costs (Note 20) | 125,192        | 77,452         |
|                               | <u>990,998</u> | <u>964,443</u> |

The average monthly number of employees, including the directors, during the year was as follows:

|                          | 2011<br>No. | 2010<br>No. |
|--------------------------|-------------|-------------|
| Directors                | 2           | 2           |
| Engineering              | 6           | 5           |
| Selling and distribution | 9           | 8           |
| Administration           | 16          | 15          |
|                          | <u>33</u>   | <u>30</u>   |

**5. DIRECTORS' REMUNERATION**

|   | 2011<br>£      | 2010<br>£     |
|---|----------------|---------------|
| Emoluments  | <u>19,470</u>  | <u>73,358</u> |
| Company pension contributions to defined contribution pension schemes | <u>109,660</u> | <u>66,213</u> |

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes.

**6. INTEREST PAYABLE**

|                              | 2011<br>£     | 2010<br>£     |
|------------------------------|---------------|---------------|
| On bank loans and overdrafts | <u>83,214</u> | <u>87,874</u> |

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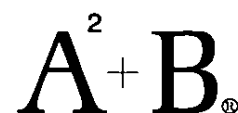
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



7. OTHER FINANCE INCOME/(EXPENSE)

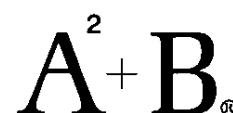
|  | 2011<br>£       | 2010<br>£       |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 195,000         | 204,000         |
| Interest on pension scheme liabilities   | (220,000)       | (225,000)       |
|  | <u>(25,000)</u> | <u>(21,000)</u> |

8. TAXATION

|  | 2011<br>£      | 2010<br>£     |
|--|----------------|---------------|
| <b>Analysis of tax charge in the year</b>                      |                |               |
| <b>Current tax</b> (see note below)                            |                |               |
| UK corporation tax charge on profit for the year               | 21,169         | 31,500        |
| <b>Deferred tax</b>  |                |               |
| Origination and reversal of timing differences                 | 15,532         | 26,977        |
| Effect of reduced tax rate on opening liability                | (41,809)       | (4,973)       |
| Adjustment for prior periods                                   | -              | 10,920        |
| Deferred tax arising from movement in pension scheme liability | 23,250         | 8,120         |
| <b>Total deferred tax</b> (see note 14)                        | <u>(3,027)</u> | <u>41,044</u> |
| <b>Tax on profit on ordinary activities</b>                    | <u>18,142</u>  | <u>72,544</u> |



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



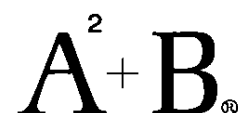
8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below:

|  | 2011<br>£     | 2010<br>£     |
|--|---------------|---------------|
| Profit on ordinary activities before tax   | 257,565       | 205,484       |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%) | 68,255        | 57,536        |
| <b>Effects of:</b>   |               |               |
| Expenses not deductible for tax purposes   | 21,408        | 20,560        |
| Capital allowances for year in excess of depreciation  | (20,075)      | (10,492)      |
| Credit relating to pension liability not taxable   | (23,250)      | (8,120)       |
| Utilisation of tax losses  | -             | (17,484)      |
| Other short term timing differences  | 2,489         | -             |
| Group relief   | (27,658)      | -             |
| Marginal relief  | -             | (10,500)      |
| <b>Current tax charge for the year (see note above)</b>  | <b>21,169</b> | <b>31,500</b> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



9. TANGIBLE FIXED ASSETS

|                          | Freehold<br>property<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|--------------------------|---------------------------|---------------------------|------------------------|-----------------------------|------------|
| <b>Cost or valuation</b> |                           |                           |                        |                             |            |
| At 1 January 2011        | 3,839,701                 | 426,507                   | 3,675                  | 99,512                      | 4,369,395  |
| Additions                | 381,675                   | 34,679                    | 12,943                 | 1,520                       | 430,817    |
| Disposals                | -                         | (3,393)                   | -                      | -                           | (3,393)    |
| At 31 December 2011      | 4,221,376                 | 457,793                   | 16,618                 | 101,032                     | 4,796,819  |
| <b>Depreciation</b>      |                           |                           |                        |                             |            |
| At 1 January 2011        | 913,230                   | 208,506                   | 2,909                  | 36,104                      | 1,160,749  |
| Charge for the year      | 68,804                    | 69,651                    | 1,845                  | 18,497                      | 158,797    |
| On disposals             | -                         | (172)                     | -                      | -                           | (172)      |
| At 31 December 2011      | 982,034                   | 277,985                   | 4,754                  | 54,601                      | 1,319,374  |
| <b>Net book value</b>    |                           |                           |                        |                             |            |
| At 31 December 2011      | 3,239,342                 | 179,808                   | 11,864                 | 46,431                      | 3,477,445  |
| At 31 December 2010      | 2,926,471                 | 218,001                   | 766                    | 63,408                      | 3,208,646  |

Cost or valuation of land and buildings at 31 December 2011 includes £915,000 relating to a revaluation made in 1991. All other amounts relate to the cost of the assets.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

|                          | 2011<br>£   | 2010<br>£   |
|--------------------------|-------------|-------------|
| Cost                     | 4,207,191   | 3,825,516   |
| Accumulated depreciation | (1,145,125) | (1,082,231) |
| Net book value           | 3,062,066   | 2,743,285   |

**THE TOWN & COUNTY MOTOR GARAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**A<sup>2</sup>+B<sup>®</sup>**

**10. STOCKS**

|                   | 2011<br>£        | 2010<br>£        |
|-------------------|------------------|------------------|
| Consignment stock | 463,862          | 644,992          |
| Goods for resale  | 1,098,139        | 1,100,195        |
|                   | <u>1,562,001</u> | <u>1,745,187</u> |

**11. DEBTORS**

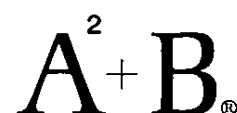
|                                     | 2011<br>£        | 2010<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Due after more than one year</b> |                  |                  |
| Amounts owed by group undertakings  | 3,161,325        | 3,161,325        |
| <b>Due within one year</b>          |                  |                  |
| Trade debtors                       | 64,035           | 214,994          |
| Prepayments and accrued income      | 130,591          | 133,182          |
|                                     | <u>3,355,951</u> | <u>3,509,501</u> |

**12. CREDITORS:  
Amounts falling due within one year**

|                                    | 2011<br>£        | 2010<br>£        |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts          | 525,080          | 440,097          |
| Trade creditors                    | 133,838          | 140,441          |
| Consignment stock creditor         | 463,862          | 644,992          |
| Amounts owed to group undertakings | 1,322,483        | 940,483          |
| Corporation tax                    | 21,169           | 31,500           |
| Social security and other taxes    | 10,273           | 13,265           |
| Directors' Loan                    | -                | 100,450          |
| Vehicle creditors                  | 595,987          | 726,338          |
| Accruals and deferred income       | 204,857          | 210,374          |
|                                    | <u>3,277,549</u> | <u>3,247,940</u> |

THE TOWN & COUNTY MOTOR GARAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



13. CREDITORS:  
Amounts falling due after more than one year

|            | 2011<br>£ | 2010<br>£ |
|------------|-----------|-----------|
| Bank loans | 768,599   | 784,500   |

Included within the above are amounts falling due as follows:

|                                   | 2011<br>£ | 2010<br>£ |
|-----------------------------------|-----------|-----------|
| <b>Between one and two years</b>  |           |           |
| Bank loans                        | 236,671   | 239,500   |
| <b>Between two and five years</b> |           |           |
| Bank loans                        | 531,928   | 445,000   |
| <b>Over five years</b>            |           |           |
| Bank loans                        | -         | 100,000   |

Creditors include amounts not wholly repayable within 5 years as follows:

|                          | 2011<br>£ | 2010<br>£ |
|--------------------------|-----------|-----------|
| Repayable by instalments | -         | 100,000   |

Included in bank loans are five loans which are all wholly repayable within five years.

Bank borrowings are secured by a standard security in respect of certain of the company's and group's properties and by a floating charge over the assets of the group.

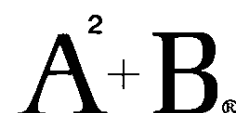
A third party lender to a fellow subsidiary, Town & County Motors Limited, holds a security over stock owned by the company having a cost of £176,030 (2010 - £120,600).

14. DEFERRED TAXATION

|                                   | 2011<br>£ | 2010<br>£ |
|-----------------------------------|-----------|-----------|
| At beginning of year              | 161,264   | 128,340   |
| (Released during)/charge for year | (26,277)  | 32,924    |
| At end of year                    | 134,987   | 161,264   |



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



14. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

|                                | 2011<br>£      | 2010<br>£      |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | 134,609        | 162,429        |
| Other timing differences       | 378            | (1,165)        |
|                                | <u>134,987</u> | <u>161,264</u> |

There is unprovided deferred tax of £102,000 (2010 – £110,000) at 31 December 2011 relating to capital gains tax rolled over into the acquisition of new properties. This is not provided for as there is no intention to sell the properties in the foreseeable future.

15. SHARE CAPITAL

|   | 2011<br>£     | 2010<br>£     |
|---|---------------|---------------|
| <b>Allotted, called up and fully paid</b> |               |               |
| 32,755 Ordinary shares of £1 each         | <u>32,755</u> | <u>32,755</u> |

16. RESERVES

|  | Capital<br>redempt'n<br>reserve<br>£ | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ |
|--|--------------------------------------|-----------------------------|---------------------------------|
| At 1 January 2011  | 34,103                               | 183,217                     | 3,882,232                       |
| Profit for the year  | -                                    | -                           | 239,423                         |
| Dividends paid   | -                                    | -                           | (230,000)                       |
| Pension reserve movement   | -                                    | -                           | (1,750)                         |
| Transfer between Revaluation reserve and Profit and loss account | -                                    | (5,910)                     | 5,910                           |
| At 31 December 2011  | <u>34,103</u>                        | <u>177,307</u>              | <u>3,895,815</u>                |

The closing balance on the Profit and loss account includes a £124,000 (2010 - £192,000) debit, stated after deferred taxation of £41,000 (2010 - £71,000), in respect of pension scheme liabilities of the company pension scheme.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|   | 2011<br>£ | 2010<br>£ |
|---|-----------|-----------|
| Opening shareholders' funds                       | 4,132,307 | 4,335,247 |
| Profit for the year                               | 239,423   | 132,940   |
| Dividends (Note 18)                               | (230,000) | (330,000) |
| Other recognised gains and losses during the year | (1,750)   | (5,880)   |
|   | <hr/>     | <hr/>     |
| Closing shareholders' funds                       | 4,139,980 | 4,132,307 |
|   | <hr/>     | <hr/>     |

18. DIVIDENDS

|                                  | 2011<br>£ | 2010<br>£ |
|----------------------------------|-----------|-----------|
| Dividends paid on equity capital | 230,000   | 330,000   |
|                                  | <hr/>     | <hr/>     |

19. CONTINGENT LIABILITIES

The company has entered into a cross guarantee with all the companies in the group, in connection with advances and borrowings from the Clydesdale Bank plc. At 31 December 2011 group borrowings totalled £1,551,326 (2010 - £2,227,208).

The company has also granted guarantees to manufacturers and finance companies in the ordinary course of business in respect of facilities afforded to group undertakings.

20. PENSION COMMITMENTS

The company makes contributions on behalf of its employees to Town & County Motor Garage Limited Employee Benefits Plan which is a defined benefit scheme. The scheme is closed to new entrants and with effect from 31 December 2003 accrual of new benefits also ceased for active members. The assets of the scheme are held separately from those of the group, being invested with insurance companies.

The company operates a Defined benefit pension scheme.

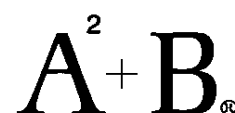
The total pension cost for the company in the period was £246,189 (2010 - £102,119) of which £118,000 (2010 - £50,000) relates to the defined benefit scheme. These costs are exclusive of administration costs amounting to £10,943 (2010 - £40,256) incurred by the company. The pension cost is assessed in accordance with the advice of an independent qualified actuary using the attained age method. The latest full actuarial valuation of this scheme was at 1 January 2010 by an independent actuary.

The actuary has recommended an annual contribution of £70,000 to be paid in to the scheme in 2012 and an additional £40,000 be paid to cover scheme expenses.

The company also contributes to a money purchase pension scheme the assets of which are held independently of the company. Contributions to this scheme are charged to the profit and loss account as they fall due.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



20. PENSION COMMITMENTS (continued)

As stated in note 1 the company has fully implemented the requirements of FRS 17 – Retirement Benefits which requires the net pension asset/liability to be included on the balance sheet.

The last full actuarial valuation was carried out on 1 January 2010 by a qualified independent actuary.

The amounts recognised in the Balance sheet are as follows:

|                                       | 2011<br>£   | 2010<br>£   |
|---------------------------------------|-------------|-------------|
| Fair value of scheme assets           | 4,240,000   | 3,905,000   |
| Present value of unfunded obligations | (4,405,000) | (4,168,000) |
| Deficit                               | (165,000)   | (263,000)   |
| Related deferred tax asset            | 41,000      | 71,000      |
| Net liability                         | (124,000)   | (192,000)   |

The amounts recognised in profit or loss are as follows:

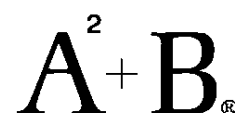
|                                  | 2011<br>£ | 2010<br>£ |
|----------------------------------|-----------|-----------|
| Interest on obligation           | (220,000) | (225,000) |
| Expected return on scheme assets | 195,000   | 204,000   |
| Total                            | (25,000)  | (21,000)  |

Changes in the present value of the defined benefit obligation are as follows:

|                                    | 2011<br>£ | 2010<br>£ |
|------------------------------------|-----------|-----------|
| Opening defined benefit obligation | 4,168,000 | 4,026,000 |
| Interest cost                      | 220,000   | 225,000   |
| Actuarial losses/(gains)           | 266,000   | 167,000   |
| Benefits paid                      | (249,000) | (250,000) |
| Closing defined benefit obligation | 4,405,000 | 4,168,000 |



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



20. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets are as follows:

|                                     | 2011<br>£        | 2010<br>£        |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 3,905,000        | 3,739,000        |
| Expected return                     | 195,000          | 204,000          |
| Actuarial gains and (losses)        | 271,000          | 162,000          |
| Contributions by employer           | 118,000          | 50,000           |
| Benefits paid                       | (249,000)        | (250,000)        |
|                                     | <u>4,240,000</u> | <u>3,905,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a gain of £5,000 (2010 - £5,000 loss).

The company expects to contribute £110,000 to its Defined benefit pension scheme in 2012.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

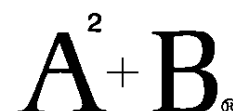
|   | 2011   | 2010   |
|---|--------|--------|
| Discount rate at 31 December                    | 5.00 % | 5.40 % |
| Expected return on scheme assets at 31 December | 4.10 % | 5.06 % |
| Retail price inflation                          | 2.50 % | 2.50 % |
| Future pension increases                        | 2.50 % | 2.50 % |

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

|  | 2011<br>£        | 2010<br>£        | 2009<br>£        | 2008<br>£        | 2007<br>£        |
|--|------------------|------------------|------------------|------------------|------------------|
| Defined benefit obligation                   | (4,405,000)      | (4,168,000)      | (4,026,000)      | (3,478,000)      | (3,934,000)      |
| Scheme assets                                | <u>4,240,000</u> | <u>3,905,000</u> | <u>3,739,000</u> | <u>3,439,000</u> | <u>4,043,000</u> |
| (Deficit)/surplus                            | <u>(165,000)</u> | <u>(263,000)</u> | <u>(287,000)</u> | <u>(39,000)</u>  | <u>109,000</u>   |
| Experience adjustments on scheme liabilities | (266,000)        | (167,000)        | (19,000)         | 46,000           | (238,000)        |
| Experience adjustments on scheme assets      | <u>271,000</u>   | <u>162,000</u>   | <u>316,000</u>   | <u>(703,000)</u> | <u>213,000</u>   |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011



21. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

|                       | Land and buildings |        |       | Other |
|-----------------------|--------------------|--------|-------|-------|
|                       | 2011               | 2010   | 2011  | 2010  |
|                       | £                  | £      | £     | £     |
| <b>Expiry date:</b>   |                    |        |       |       |
| Within 1 year         | -                  | -      | -     | 5,884 |
| Between 2 and 5 years | 50,000             | 50,000 | 9,769 | -     |

22. RELATED PARTY TRANSACTIONS

**Control**

During the year the company was controlled by the directors.

**Transactions**

During the year, the company was a wholly owned subsidiary of T & C Holdings Limited, which in turn is a wholly owned subsidiary of T & C Assets Limited. The results of the company are included within the consolidated accounts of T & C Assets Limited. The company has taken advantage of paragraph 3(c) of FRS 8 (Related Party Disclosure) which allows exemption from disclosure of related party transactions with other companies, included within the consolidated accounts.

At the year end there are no loan balances due to the directors (2010 - £100,450).

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate holding company is T & C Assets Limited, a company registered in Scotland.

