

Company No. SC177716

TLA HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2008



TLA HOLDINGS LIMITED

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Directors A R Grieve* (Chairman)
 T D Spence (Managing director)
 L N Saunders
 A J Spence
 P Neeson*

* non-executive

Secretary A J Spence

Company Number SC177716

Business Address 45 Pottery Street
 Kirkcaldy
 KY1 3ET

Registered Office 45 Pottery Street
 Kirkcaldy
 KY1 3ET

Independent Auditor Tenon Audit Limited
 160 Dundee Street
 Edinburgh
 EH11 1DQ

**Accountants & Business
Advisers** Tenon Limited
 160 Dundee Street
 Edinburgh
 EH11 1DQ

Solicitors Dundas & Wilson CS
 Saltire Court
 20 Castle Terrace
 Edinburgh
 EH1 2EN

Bankers The Royal Bank of Scotland plc
 Edinburgh St Andrew Square
 36 St Andrew Square
 Edinburgh
 EH2 2YB

TLA HOLDINGS LIMITED

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TLA HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

The directors present their report and the group financial statements for the year ended 30th June 2008.

Principal Activities

The group's principal activity continued to be that of domestic house building, particularly in relation to the manufacture and construction of timber frame dwelling houses.

Turnover from these activities fell compared to the previous year (by 28.2%). However, the group still managed to achieve post tax historical cost profits of £165,111 (2007: £474,339). The main factor in the downturn in profitability was the effect of increased land prices and the results are as had been expected by the directors.

At the year end the group had shareholders funds of £2,006,016 (2007: £2,040,943) including distributable profits of £802,395 (2007: £637,284). The directors therefore believe the group's position to be satisfactory, especially as the group's current assets exceed its current liabilities by £1,780,962 (2007: £1,786,277).

The directors have assessed the main risk to the group as being the lack of mortgage funding available at the current time, corporate borrowings are less than 60% of funding available and the group's average plot cost is low in relation to our peers.

The business' focus on mid-market family homes rather than flatted developments has enabled it to generate sales in this challenging market.

The directors believe that the group's low cost land bank and healthy net current assets position will help mitigate these risks and hope to see continued growth and satisfactory trading results in the coming year.

Results and Dividends

The results for the year are set out in the profit and loss account on page 5.

The directors recommend a final ordinary dividend of £nil per share (2007: 49.67 pence) amounting to £nil (2007: £111,753). A final A ordinary dividend of £nil per share (2007: 49.67 pence), amounting to £nil (2007: £99,335) and interim A ordinary dividends of 9 pence (2007: 9 pence) amounting to £18,000 (2007: £18,000) were declared during the year. Preference dividends of £nil (2007: £10,687) were also declared during the year. In accordance with FRS 25 these amounts are included in 'interest payable and similar charges.'

Financial risk management objective and policies

The group finances its operations through a mixture of retained profit and where necessary through bank borrowings. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds; and
- minimise the group's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the group's trading activities.

Hedge accounting is not used by the company.

Directors

The directors who served the company during the year were as follows:

T D Spence
L N Saunders
A J Spence
A R Grieve
P Neeson

TLA HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30TH JUNE 2008

Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent
- 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 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, individually, are aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Signed on behalf of the directors



A J Spence

Secretary

Approved by the directors on 7 November 2008

TLA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TLA HOLDINGS LIMITED

FOR THE YEAR ENDED 30TH JUNE 2008

We have audited the group and parent undertaking financial statements on pages 5 to 20, which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of 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 Auditor

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, and whether the information given in the Directors' Report is consistent with the 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 other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

TLA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TLA HOLDINGS LIMITED

FOR THE YEAR ENDED 30TH JUNE 2008

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 affairs of the company and of the group as at 30th June 2008 and of the 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 Directors' Report is consistent with the financial statements.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

Date:-

11/3/09

TLA HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2008

	Notes	2008 £	2007 £
Turnover	2	6,841,956	9,528,970
Cost of sales		<u>5,129,967</u>	<u>7,109,383</u>
Gross Profit		1,711,989	2,419,587
Administrative expenses		<u>1,325,098</u>	<u>1,635,829</u>
Operating Profit	4	386,891	783,758
Interest payable and similar charges	7	<u>(372,416)</u>	<u>(240,554)</u>
Profit on Ordinary Activities before Taxation		14,475	543,204
Tax on profit on ordinary activities	8	<u>(49,402)</u>	<u>(278,460)</u>
(Loss)/Profit on Ordinary Activities after Taxation	20	<u>(34,927)</u>	<u>264,744</u>

All amounts relate to continuing activities.

The group has no recognised gains or losses other than the results for the year as set out above.

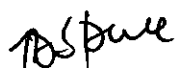
TLA HOLDINGS LIMITED**GROUP STATEMENT OF GROUP HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30TH JUNE 2008**

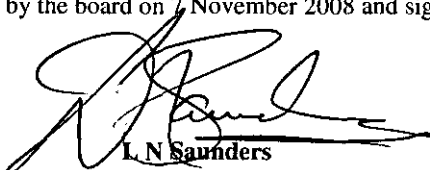
	2008	2007
	£	£
Historical cost profits and losses		
Reported profit on ordinary activities before taxation	14,475	543,204
Realisation of gains recognised in previous periods	198,581	208,138
Depreciation on revalued assets	<u>1,457</u>	<u>1,457</u>
Historical cost profit on ordinary activities before taxation	<u>214,513</u>	<u>752,799</u>
Historical cost profit for the year retained after taxation	<u>165,111</u>	<u>474,339</u>

TLA HOLDINGS LIMITED
GROUP BALANCE SHEET
AT 30TH JUNE 2008

	Notes	2008 £	2007 £
Fixed Assets			
Tangible assets	12	<u>325,054</u>	<u>354,666</u>
Current Assets			
Stocks	14	8,347,120	7,228,965
Debtors	15	313,085	477,321
Cash at bank and in hand		<u>2,576</u>	<u>1,628</u>
		8,662,781	7,707,914
Creditors: Amounts Falling Due Within One Year	16	<u>6,881,819</u>	<u>5,921,637</u>
Net Current Assets		<u>1,780,962</u>	<u>1,786,277</u>
Total Assets less Current Liabilities		2,106,016	2,140,943
Creditors: Amounts Falling Due After More Than One Year	17	<u>(100,000)</u>	<u>(100,000)</u>
		<u>2,006,016</u>	<u>2,040,943</u>
Capital and Reserves			
Called up share capital	19	112,500	112,500
Capital redemption reserve	20	900,000	900,000
Share premium account	20	147,383	147,383
Revaluation reserve	20	43,738	243,776
Profit and loss account	20	<u>802,395</u>	<u>637,284</u>
		<u>2,006,016</u>	<u>2,040,943</u>

These financial statements were approved by the board on 7 November 2008 and signed on its behalf by:


T D Spence
Director

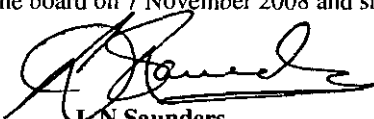

L N Saunders
Director

TLA HOLDINGS LIMITED**BALANCE SHEET****AT 30TH JUNE 2008**

	Notes	2008 £	2007 £
Fixed Assets			
Investments	13	<u>1,939,586</u>	<u>1,939,586</u>
Current Assets			
Debtors	15	-	211,088
Cash at bank		<u>2,549</u>	<u>1,313</u>
		2,549	212,401
Creditors: Amounts Falling Due Within One Year	16	<u>(287,239)</u>	<u>(598,693)</u>
Net Current Liabilities		<u>(284,690)</u>	<u>(386,292)</u>
Total Assets less Current Liabilities		1,654,896	1,553,294
Creditors: Amounts Falling Due After More Than One Year	17	<u>(100,000)</u>	<u>(100,000)</u>
		<u>1,554,896</u>	<u>1,453,294</u>
Capital and Reserves			
Called up share capital	19	112,500	112,500
Capital redemption reserve	20	900,000	900,000
Share premium account	20	147,383	147,383
Profit and loss account	20	<u>395,013</u>	<u>293,411</u>
		<u>1,554,896</u>	<u>1,453,294</u>

These financial statements were approved by the board on 7 November 2008 and signed on its behalf by:


T D Spence
Director


L N Saunders
Director

TLA HOLDINGS LIMITED
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2008

	Notes	2008 £	2007 £
Net Cash Outflow from Operating Activities	21(a)	(931,050)	(880,048)
Returns on Investments and Servicing of Finance			
Interest paid		(466,901)	(136,787)
Interest element of finance lease rental payments		<u>(4,850)</u>	<u>(4,432)</u>
		(471,751)	(141,219)
Taxation			
Corporation tax paid		<u>(290,486)</u>	<u>(206,693)</u>
Capital Expenditure and Financial Investment			
Payments to acquire tangible fixed assets		(23,622)	(41,281)
Receipt from sale of tangible fixed assets		<u>15,897</u>	<u>1,489</u>
		(7,725)	(39,792)
Equity Dividends Paid		(111,753)	(272,695)
Net Cash Outflow before Financing		(1,812,765)	(1,540,447)
Financing			
Redemption of preference shares		-	(225,000)
Repayment of capital element of finance leases and hire purchase contracts		<u>(22,715)</u>	<u>(27,149)</u>
		(22,715)	(252,149)
Decrease in cash	21(b)	(1,835,480)	(1,792,596)

TLA HOLDINGS LIMITED**GROUP STATEMENT OF CASH FLOWS (continued)****FOR THE YEAR ENDED 30TH JUNE 2008**

	Notes	2008 £	2007 £
Reconciliation of net cash flow to movements in net debt			
Decrease in cash		(1,835,480)	(1,792,596)
Repayment of capital element of finance lease and hire purchase contracts		<u>22,715</u>	<u>27,149</u>
Movement in net debt		(1,812,765)	(1,765,447)
Net debt at 30th June 2007	21(b)	<u>(4,088,857)</u>	<u>(2,323,410)</u>
Net debt at 30th June 2008		<u>(5,901,622)</u>	<u>(4,088,857)</u>

TLA HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2008

1. Accounting Policies

The financial statements have been prepared under the alternative valuation rules as allowed by paragraph 31 of schedule 4 of the Companies Act 1985 and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of TLA Holdings Limited and its subsidiary undertaking drawn up to 30th June 2008. No profit and loss account is presented for TLA Holdings Limited as permitted by section 230 of the Companies Act 1985.

Fixed assets

Following the introduction of FRS15, the group has taken advantage of the transitional rules regarding revaluations of heritable property. All other fixed assets are carried at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, other than heritable land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Heritable buildings	-	over 50 years
Plant and machinery	-	over 6-7 years
Motor vehicles	-	over 3-4 years
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	over 3 years

No depreciation is charged on the company's heritable land.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks comprise raw materials used for the manufacture and development of houses, work in progress in relation to the development of these houses and development land.

Raw materials are stated at the lower of cost or valuation and net realisable value.

Cost includes amounts paid for land, labour, materials and an overhead allocation.

Development land is subject to valuation by an external surveyor on acquisition and is carried in the financial statements at this value. Between acquisition and final plot sales the value of development land is reviewed by directors and current cost considered. Any further revaluation post acquisition is transferred to the revaluation reserve. It is the opinion of the directors that the value of development land held at the year end acquired in previous years is not significantly different in value had it been subject to further valuation in the current year.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

TLA HOLDINGS LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2008

Accounting Policies (continued)

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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

No deferred tax balance is included in the financial statements as the amounts involved are currently insignificant.

Leasing and hire purchase commitments

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pensions

The company makes contributions to the directors' and employee's personal pension schemes, which are charged to the profit and loss account in the period to which they relate.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, domestic house building particularly in relation to the manufacture and construction of timber frame dwelling houses. The group operates within the United Kingdom.

3. Realisation of Revaluation of Previous Periods

During the year an amount of £198,581 (2007: £208,138) was released to profit in relation to the realisation of revaluation of previous periods on land held for development, as reflected on page 6.

4. Operating Profit

This is stated after charging/(crediting):

	Group 2008	Group 2007
	£	£
Depreciation of owned fixed assets	49,414	31,238
Depreciation of assets held under finance leases and hire purchase contracts	8,343	27,996
Amortisation of goodwill	-	115,954
Profit on disposal of fixed assets	(12,077)	(1,460)
Auditor's remuneration	<u>8,250</u>	<u>7,850</u>

TLA HOLDINGS LIMITED

BALANCE SHEET

AT 30TH JUNE 2008

5. Directors' Emoluments

	2008	2007
	£	£
Emoluments	<u>409,610</u>	<u>431,844</u>
Group contributions to personal pension schemes	<u>74,739</u>	<u>74,739</u>
Members of personal pension schemes	No <u>3</u>	No <u>3</u>
The highest paid director received emoluments and benefits as follows:		
	2008	2007
	£	£
Aggregate emoluments	131,843	133,394
Contributions to a money purchase pension scheme	<u>25,758</u>	<u>40,785</u>
	<u>157,601</u>	<u>174,179</u>

6. Staff Costs

	2008	2007
	£	£
Wages and salaries	1,208,287	1,420,380
Social security costs	132,531	145,507
Other pension costs	<u>76,596</u>	<u>76,554</u>
	<u>1,417,414</u>	<u>1,642,441</u>

The average number of employees during the year was made up as follows:

	2008	2007
	No	No
Production	23	25
Site operatives	<u>19</u>	<u>20</u>
	<u>42</u>	<u>45</u>

7. Interest Payable and Similar Charges

	2008	2007
	£	£
Bank overdrafts	349,566	108,100
Finance charges payable under finance leases and hire purchase contracts	4,850	4,432
Finance charges on shares classified as financial liabilities	<u>18,000</u>	<u>128,022</u>
	<u>372,406</u>	<u>240,554</u>

The finance charges on shares classified as financial liabilities are made up of an £18,000 (2007: £28,687) interim dividend and a final dividend of £nil (2007: £99,335) which was proposed at the year end.

TLA HOLDINGS LIMITED

BALANCE SHEET

AT 30TH JUNE 2008

8. Tax on Profit on Ordinary Activities

(a) Analysis of charge in the year	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 29.5% (2007: 30%)	49,401	290,486
Over provision in prior year	-	(12,026)
Tax on profit on ordinary activities	<u>49,401</u>	<u>278,460</u>

(b) factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2007: 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>14,476</u>	<u>642,539</u>
Profit on ordinary activities by rate of tax	2,929	192,762
Effects of :		
Expenses not deductible for tax purposes	4,661	44,664
Revaluation release on plots of land sold in the year	40,498	62,441
Depreciation for the year in excess of capital allowances	1,313	3,736
Tax chargeable at lower rates	-	(13,117)
Adjustments to tax charge in respect of previous periods	-	(12,026)
Total current tax (note 8 (a))	<u>49,401</u>	<u>278,460</u>

9. Profit Attributable to Members of the Parent Undertaking

The profit dealt with in the financial statements of the parent undertaking was £101,602 (2007: £188,640).

10. Dividends payable

	2008 £	2007 £
Equity dividends on ordinary shares:		
Final proposed: nil (2007: 64.16p)	<u>=</u>	<u>111,753</u>

In accordance with FRS 25, dividends on A Ordinary shares payable which were previously shown as a distribution of post-tax profits are now reclassified as finance costs and disclosed within interest payable and similar charges (note 7).

TLA HOLDINGS LIMITED

BALANCE SHEET

AT 30TH JUNE 2008

11. Intangible Fixed Assets

Group

	Goodwill
	£
Cost	
At 1st July 2007 and 30th June 2008	<u>1,659,535</u>
Amortisation	
At 1st July 2007 and 30th June 2008	<u>1,659,535</u>
Net book value	
At 30th June 2007 and 30th June 2008	<u><u>-</u></u>

12. Tangible Fixed Assets

Group

	Heritable Land and Buildings	Plant and Machinery	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£	£	£
Cost or valuation:						
At 1st July 2007	260,000	238,576	193,429	34,489	34,331	760,825
Additions	-	10,125	10,500	284	2,713	23,622
Disposals	-	-	(28,661)	-	-	(28,661)
At 30th June 2008	260,000	248,701	175,268	34,773	37,044	755,786
Depreciation:						
At 1st July 2007	29,654	157,909	157,357	29,201	32,038	406,159
Charge for year	5,017	22,380	18,503	892	2,622	49,414
Disposals	-	-	(24,841)	-	-	(24,841)
At 30th June 2008	34,671	180,289	151,019	30,093	34,660	430,732
Net book value						
At 30th June 2008	225,329	68,412	24,249	4,680	2,384	325,054
At 30th June 2007	230,346	80,667	36,072	5,288	2,293	354,666

Included within the net book value of £325,054 is £Nil (2007 - £40,623) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £8,343 (2007 - £27,996).

Included within heritable land and buildings is land at a value of £23,500 (2007: £23,500).

The group's heritable land and buildings were previously revalued in 2001 on an open market value basis by Graham and Sibbald, Chartered Surveyors, Kirkcaldy at £260,000. No provision has been made of the deferred tax on the property revaluation as at the year end there was no intention to sell the property. In addition, rollover relief would likely be claimed on any potential gain.

TLA HOLDINGS LIMITED

BALANCE SHEET

AT 30TH JUNE 2008

12. Tangible Fixed Assets (continued)

On a historical cost basis, heritable buildings would have been included as follows:

	2008 £	2007 £
Cost	<u>193,309</u>	<u>193,309</u>
Cumulative depreciation based on cost	<u>33,900</u>	<u>30,510</u>

13. Investments Company

	Subsidiary Undertaking £
Cost At 1st July 2007 and 30th June 2008	<u>1,939,586</u>

The subsidiary undertakings, which are registered in Scotland, are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Boyack Homes Limited	Ordinary shares	100%	Manufacture and construction of timber frame dwelling houses
David Boyack Homes Limited	Ordinary shares	100%	Dormant

14. Stocks

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Work in progress	3,467,185	2,529,100	-	-
Raw materials and consumables	116,268	152,239	-	-
Land for development	<u>4,763,667</u>	<u>4,547,626</u>	<u>-</u>	<u>-</u>
	<u>8,347,120</u>	<u>7,228,965</u>	<u>-</u>	<u>-</u>

Land for development is valued at current cost.

15. Debtors

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	245,421	354,638	-	-
Other debtors	8,193	36,896	-	211,088
VAT recoverable	56,054	70,287	-	-
Prepayments and accrued income	<u>3,417</u>	<u>15,500</u>	<u>-</u>	<u>-</u>
	<u>313,085</u>	<u>477,321</u>	<u>-</u>	<u>211,088</u>

TLA HOLDINGS LIMITED

BALANCE SHEET

AT 30TH JUNE 2008

16. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdrafts	5,904,198	4,067,770	-	-
Trade creditors	569,214	396,304	-	-
Obligations under finance leases & hire purchase contracts (note 18)	-	22,715	-	-
Corporation tax payable	49,401	290,486	30,367	69,751
Other taxes and social security costs	54,822	62,028	-	-
Accruals	304,184	871,246	-	-
Dividends payable	-	111,753	-	111,753
Finance charges payable on shares classed as financial liabilities	-	99,335	-	99,335
Due to subsidiary undertaking	-	-	256,872	317,854
	<u>6,881,819</u>	<u>5,921,637</u>	<u>287,239</u>	<u>598,693</u>

The bank overdrafts are secured by a standard security and bond and floating charge over all of the company's assets. The bank also holds first ranking standard securities over the company's properties at 45 Pottery Street, Kirkcaldy; Almond Way, Livingston; Blackburn Road, Blackburn; Edne Park, Cupar; Elm Grove, Blackburn; Hugo Avenue, Coaltown of Wemyss; Wester Gartgreenie, Forest Mill, Alloa and Station Road, Bridge of Earn. At the year end there was also an inter-company guarantee to The Royal Bank of Scotland plc between TLA Holdings Limited, the parent undertaking, and Boyack Homes Limited to the value of £11,000,000.

17. Creditors: Amounts Falling Due After More Than One Year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Shares classed as financial liabilities (note 19)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

18. Obligations Under Finance Leases and Hire Purchase Contracts

Finance leases and hire purchase contracts are analysed as follows:

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Current obligations (note 16)	<u>-</u>	<u>22,715</u>	<u>-</u>	<u>-</u>

Amounts due under hire purchase creditors were secured on the assets financed under these agreements

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19. Called Up Share Capital

Group and company

	2008 £	2007 £
Authorised share capital		
225,000 Ordinary shares of 50p each	112,500	112,500
200,000 A Ordinary shares of 50p each	100,000	100,000
900,000 9.5% cumulative redeemable preference shares of £1 each	<u>900,000</u>	<u>900,000</u>
	<u>1,112,500</u>	<u>1,112,500</u>
Allotted, called up and fully paid		
225,000 Ordinary shares of 50p each	112,500	112,500
200,000 A Ordinary shares of 50p each	<u>100,000</u>	<u>100,000</u>
	<u>212,500</u>	<u>212,500</u>
Equity shares		
225,000 Ordinary shares of 50p each	<u>112,500</u>	<u>112,500</u>
Shares classed as financial liabilities		
200,000 A Ordinary shares of 50p each (note 17)	<u>100,000</u>	<u>100,000</u>

The A ordinary shares have an entitlement to a fixed cumulative preferential net cash dividend of 9% per annum on the original subscription price of £1 per share, payable half yearly in arrears on 1st July and 1st January. The A Ordinary shares also have an entitlement to a cumulative participating preferential net cash dividend in respect of each financial year. These shares are now included within creditors in compliance with FRS 25 (note 17).

The ordinary shares have an entitlement to a participating preferential net cash dividend in respect of each financial year.

The ordinary and 'A' ordinary shares carry one vote for each share held.

20. Reserves

Group	Capital redemption reserve £	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1st July 2007	900,000	147,383	243,776	637,284
Retained loss for the year	-	-	-	(34,927)
Equity dividends	-	-	-	-
Transfer between reserves in relation to the realisation of revaluation surplus of previous periods	-	-	(200,038)	200,038
At 30th June 2008	<u>900,000</u>	<u>147,383</u>	<u>43,738</u>	<u>802,395</u>

TLA HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2008

20. **Reserves (continued)**

Company	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1st July 2007	900,000	147,383	293,411
Retained profit for the year	-	-	101,602
At 30th June 2008	<u>900,000</u>	<u>147,383</u>	<u>395,013</u>

21. **Notes to the Statement of Cash Flows**

(a) Reconciliation of operating profit to net cash outflow from operating activities

	2008 £	2007 £
Operating profit	386,891	783,758
Depreciation	49,414	59,234
Amortisation of goodwill	-	115,954
Increase in stocks	(1,118,155)	(1,171,703)
Decrease/(increase) in debtors	164,236	(362,999)
Decrease in creditors	(401,359)	(302,832)
Profit on sale of tangible fixed assets	<u>(12,077)</u>	<u>(1,460)</u>
Net cash outflow from operating activities	<u>(931,050)</u>	<u>(880,048)</u>

(b) Analysis of net debt

	At 30th June 2007 £	Cash flow £	At 30th June 2008 £
Bank overdrafts	(4,067,770)	(1,836,428)	(5,904,198)
Cash in bank and in hand	<u>1,628</u>	<u>948</u>	<u>2,576</u>
	(4,066,142)	(1,835,480)	(5,901,622)
Finance leases and hire purchase contracts	<u>(22,715)</u>	<u>22,715</u>	<u>-</u>
	<u>(4,088,857)</u>	<u>(1,812,765)</u>	<u>(5,901,622)</u>

TLA HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH JUNE 2008**

22. Reconciliation of Shareholders' Funds

Group	2008 £	2007 £
(Loss)/profit for the financial year	(34,927)	264,744
Equity dividends	<u>-</u>	<u>(111,753)</u>
(Decrease)/increase in shareholders' funds	(34,927)	152,991
Shareholders' funds at 30th June 2007	<u>2,040,943</u>	<u>1,887,952</u>
Shareholders' funds at 30th June 2008	<u>2,006,016</u>	<u>2,040,943</u>
Company	2008 £	2008 £
Profit for the financial year	101,602	300,393
Equity dividends	<u>-</u>	<u>(111,753)</u>
Increase in shareholders' funds	101,602	188,640
Shareholders' funds at 30th June 2007	<u>1,453,294</u>	<u>1,264,654</u>
Shareholders' funds at 30th June 2008	<u>1,554,896</u>	<u>1,453,294</u>

23. Ultimate Controlling Party

In the directors' opinion, the company has no ultimate controlling party.