

# **Thomson Shepherd Holdings Limited**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

31 December 2011

Registered Number SC270870

WEDNESDAY



\*S1DWMWUH\*

SCT

25/07/2012

#146

COMPANIES HOUSE

# **Thomson Shepherd Holdings Limited**

## **Directors' Report**

The directors present their annual report and the audited financial statements for the period ended 31 December 2011.

### **Principal activities and future developments**

The principal activity of the company continued to be that of a holding company.

### **Overview of the business**

The company is the sole shareholder in Thomson Shepherd Limited, the only remaining subsidiary company. During the year, the Company declared a Solvency Statement entitling the Company to perform a capital reduction in line with the Companies Act 2006 rules. This allowed the Company to reduce its share capital, share premium and capital contribution reserves by £2,319k leaving £1 share capital. The £2,319k was subsequently moved to distributable reserves allowing any future dividends received from its subsidiary (Thomson Shepherd Limited) to be passed up to the ultimate parent undertaking.

### **Business review**

During the year, Thomson Shepherd Holding Limited's subsidiary (Thomson Shepherd Limited) sold its trade and assets to its management. In these company only accounts, this has led to a £500k impairment charge being recognised, fully writing down the cost of investment in its subsidiary.

Thomson Shepherd Holdings Limited also received a dividend from Thomson Shepherd Limited totalling £735k which has resulted in a profit being recognised in the Income Statement of £235k.

### **Registered Office**

Burness Solicitors  
50 Lothian Road  
Festival Square  
Edinburgh  
EH3 9WJ

### **Dividends**

No dividend was paid during the period.

### **Directors**

The directors who served during the period were:

P M Craddock	(resigned 25 February 2011)
D J Cutter	
E N Law	(resigned 25 February 2011)
G A Wilson	(resigned 31 May 2011)
R J Twigg	(appointed 25 February 2011)

Messrs DJ Cutter and RJ Twigg are also Directors of the ultimate parent undertaking Skipton Building Society.

### **Charitable donations**

During the period the company made charitable donations of £nil (2010: £nil). No contributions were made for political purposes.

# **Thomson Shepherd Holdings Limited**

## **Directors' Report (continued)**

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Directors' statement as to disclosure of information to auditors**

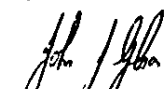
The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



J.J. Gibson  
Secretary  
The Bailey  
Skipton  
North Yorkshire  
BD23 1DN

Date 1 February 2012

## **Thomson Shepherd Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements**

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 period. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law to present fairly the financial position and performance of the company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditors' Report to the Members of Thomson Shepherd Holdings Limited**

We have audited the financial statements of Thomson Shepherd Holdings Limited for the year ended 31 December 2011 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable to law and International Financial Reporting Standards (IFRSs) as adopted in the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 result for the year ended 31 December 2011;
- have properly been prepared in accordance with IFRSs as adopted in the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on 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.

### **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



**J L Ellacott (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
**1 February 2012**

# Thomson Shepherd Holdings Limited

## Statement of Comprehensive Income

For the year ended 31 December 2011

		2011 £000's	2010 £000's
Dividend income received		735	-
Administrative expenses		-	(1,573)
<b>Profit / (Loss) from discontinued operations</b>	<b>2</b>	<b>735</b>	<b>(1,573)</b>
Impairment of investments		(500)	(500)
<b>Profit / (Loss) before tax</b>		<b>235</b>	<b>(2,073)</b>
Tax credit		-	1
<b>Loss for the year</b>		<b>235</b>	<b>(2,072)</b>

The loss for the comparative financial year was derived wholly from continuing operations.

The statement of comprehensive income is prepared on an unmodified historical cost basis.

The notes on pages 9 to 12 form part of these financial statements.

# Thomson Shepherd Holdings Limited

## Statement of Financial Position

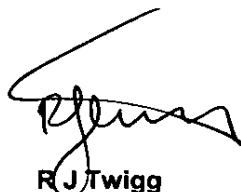
As at 31 December 2011

	Notes	£000's	2011 £000's	£000's	2010 £000's
<b>Non-current assets</b>					
Investments	3	-		500	
<b>Total assets</b>			-		500
<b>Current liabilities</b>					
Trade and other payables	4	-		1,485	
<b>Total liabilities</b>			-		1,485
<b>Equity</b>					
Share capital	5	-		52	
Share premium		-		1,516	
Retained earnings		-		(2,553)	
					(985)
<b>Total equity and liabilities</b>		-			500

These accounts were approved by the board of directors on 1 February 2012 and signed on its behalf by:



**D J Cutter**  
Director



**R J Twigg**  
Director

Company Registration Number: SC270870

The notes on pages 9 to 12 form part of these accounts.

# Thomson Shepherd Holdings Limited

## Statement of Changes in Equity

As at 31 December 2011

	Ordinary Share Capital £000's	Share Premium £000's	Capital Contribution Reserve £000's	Retained Earnings £000's	Total Equity £000's
Balance at 1 January 2011	52	1,516	-	(2,553)	(985)
Loan waiver			750		750
Capital reduction	(52)	(1,516)	(750)	2,318	-
Profit/(Loss) for the period	-	-	-	235	235
<b>Balance at 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance at 1 January 2010	52	1,516	-	(481)	1,087
Loss for the period	-	-	-	(2,072)	(2,072)
<b>Balance at 31 December 2010</b>	<b>52</b>	<b>1,516</b>	<b>-</b>	<b>(2,553)</b>	<b>(985)</b>

The notes on pages 9 to 12 form part of these financial statements



# Thomson Shepherd Holdings Limited

## Statement of Cash Flows

For the year ended 31 December 2011

	2011 £000's	2010 £000's
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	235	(2,073)
Adjustments for:		
Goodwill Impairment	-	1,572
Investment Impairment	500	500
Auditors' Remuneration	-	1
Dividend Income	(735)	-
<b>Net cash from operating activities</b>	-	-
<b>Cash flows from financing activities</b>		
Transfer of subsidiary loan	-	(1,485)
Due to Group companies	-	1,485
<b>Net cash from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at start of year</b>	-	-
<b>Cash and cash equivalents at end of year</b>	-	-

# **Thomson Shepherd Holdings Limited**

## **Notes to the Financial Statements**

### **1. Accounting policies**

Thomson Shepherd Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 subject to the small companies' regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual and not about its Group.

#### **(a) Basis of accounting**

The financial statements are presented in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the EU and effective at 31 December 2011.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### ***Currency Presentation***

The annual accounts are presented in pounds Sterling and, except where otherwise indicated, have been rounded to the nearest thousand.

#### **Measurement Convention**

The Financial Statements have been prepared under the historical cost convention.

#### **(b) Taxation**

Income tax on the result for the year comprises current tax and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except where items are recognised directly in equity, in which case the associated income tax asset or liability is recognised via equity.

Current tax is the expected tax payable on the income for the year, using tax rates enacted or substantially enacted on the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, which recognises temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **(c) Cash and cash equivalents**

For the purpose of the statement of cash flow, cash comprises cash in hand and loans and advances to credit institutions repayable on demand, and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

The statement of cash flow has been prepared using the indirect method.

#### **(d) Dividend Income**

Dividend income due from Group companies is recognised by the Company only when legally due.

#### **(e) Investments in subsidiaries**

Investments in subsidiaries are included in the balance sheet at cost less provision for any impairment. At each reporting date the investment is assessed for any indication of any impairment.

# Thomson Shepherd Holdings Limited

## Notes to the Financial Statements (continued)

### 2. Profit / (Loss) from operations

	2011 £000's	2010 £000's
Profit / (Loss) from operations has been arrived at after charging		
Goodwill impairment	-	1,572
Auditors' remuneration and expenses:		
Audit services	-	1

### 3. Investments

	2011 £000's	2010 £000's
<b>Cost</b>		
At 1 January	500	1,000
Impairment loss	(500)	(500)
<b>At 31 December</b>	<b>-</b>	<b>500</b>
<b>Carrying amounts</b>		
At 1 January	500	1,000
<b>At 31 December</b>	<b>-</b>	<b>500</b>

During the year, Thomson Shepherd Holding Limited's' subsidiary (Thomson Shepherd Limited) sold its trade and assets to its management. In these company only accounts, this has led to a £500k impairment charge being recognised, fully writing down the cost of investment in its subsidiary.

# Thomson Shepherd Holdings Limited

## Notes to the Financial Statements (continued)

### 4. Trade and other payables

	2011 £000's	2010 £000's
Due to Group Companies	-	1,485
	-	1,485

### 5. Share capital

	2011 £000's	2010 £000's
<b>Authorised</b>		
52,200 ordinary shares of £1.00 each	-	52
	-	52
<b>Issued and fully paid</b>		
52,200 ordinary shares of £1.00 each	-	52
	-	52

During the year, the Company declared a Solvency Statement entitling the Company to perform a capital reduction in line with the Companies Act 2006 rules. This allowed the Company to reduce its share capital, share premium and capital contribution reserves by £2,319k leaving £1 share capital. The £2,319k was subsequently moved to distributable reserves allowing any future dividends received from its subsidiary (Thomson Shepherd Limited) to be passed up to the ultimate parent undertaking.

### 6. Related party transactions

During the year to 31 December 2011, the following balances refer to related party transactions.

		2011 £000's	2010 £000's
Thomson Shepherd Limited	Preference Shares	-	1,000,000
Skipton Building Society	Transfer of subsidiary loan balance to Skipton Building Society	-	(1,485,167)
		-	(485,167)

# **Thomson Shepherd Holdings Limited**

## **Notes to the Financial Statements (continued)**

### **7. Ultimate Parent Undertaking**

The company is a 100% owned subsidiary of Skipton Group Holdings Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. A copy of the group annual report and accounts into which the results of this company are consolidated is available from:-

The Secretary  
Skipton Building Society  
The Bailey  
Skipton  
North Yorkshire  
BD23 1DN