

Registered Number 04226663

TBMC GROUP LIMITED
(formerly The Business Mortgage Company Limited)

Report of the Directors and

Financial Statements

Year Ended 31 December 2007

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TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

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TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

Company information

DIRECTORS:

I M Wheadon	(Resigned 24/01/07)
W J Wakely	(Resigned 24/01/07)
P A Rockett	
A E Young	
J Heron	(Appointed 24/01/07)

SECRETARY:

I M Wheadon	(Resigned 24/01/07)
P A Rockett	(Appointed 24/01/07)

REGISTERED OFFICE:

Greenmeadow House
2 Village Way
Greenmeadow Springs Business Park
Cardiff
CF15 7NE

AUDITORS:

Deloitte & Touche LLP
Four Brindleyplace
Birmingham
B1 2HZ

BANKERS:

Allied Irish Bank (GB)
2 Callaghan Square
Cardiff
CF10 5AZ

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

Director's report for the year ended 31st December 2007

The directors present their report and the audited financial statements of the company for the year ended 31st December 2007

The company name was changed from The Business Mortgage Company Limited to TBMC Group Limited on 24 April 2007

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is that of a mortgage intermediary and packager

On 25 January 2007, the entire share capital of the company was acquired by The Business Mortgage Company Limited (formerly Oval (2125) Limited). The trade and assets of the company were subsequently hived up into The Business Mortgage Company Limited (formerly Oval (2125) Limited) on 21 March 2007 and the company has remained dormant since this date. The hive up of the trade and assets of the Company generated a profit of £6,617,739.

The results of the Company for the year are set out in the profit and loss account on page 8. The company generated a profit of £6,563,487 during the year (2006 £916,345). Dividends of £6,900,000 were paid during the year (2006 £945,312).

GOING CONCERN AND FUTURE PROSPECTS

The Company has remained dormant since it ceased trading on 21 March 2007 and the Directors have no plans to resume trading in the foreseeable future. In accordance with Financial Reporting Standard 18 'Accounting Policies', the financial statements have been prepared on a basis other than that of a going concern. No material adjustments have arisen as a result of ceasing to apply the going concern basis of preparation.

DIRECTORS

The Directors of the business who served during the year are listed on page 3.

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

Director's report for the year ended 31st December 2007 (continued)

STATEMENT OF 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 those financial statements, the directors are required to

- a) select suitable accounting policies and then apply these consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- d) 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 the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

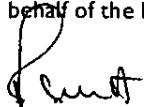
Each of the directors at the date of approval of this report confirms that

1. so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
2. the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to reappoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Secretary

Date 21st October 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

We have audited the financial statements of TBMC Group Limited (formerly The Business Mortgage Company Limited) for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 (one) of the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Birmingham, United Kingdom

21 October 2008

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Profit and loss account
for the year ended 31 December 2007**

	Notes	2007 (£)	2006 (£)
TURNOVER		2,044,438	7,778,555
Cost of sales		(1,048,663)	(4,552,488)
GROSS PROFIT		995,775	3,226,067
Administrative expenses		(813,276)	(1,919,415)
Other operating income		1,000	1,000
OPERATING PROFIT	2	183,499	1,307,652
Profit on disposal of assets at hive-up	4	6,617,739	-
Interest receivable and similar income	5	1,181	8,921
Interest payable and similar charges	6	(238,932)	(3,869)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,563,487	1,312,704
Tax on profit on ordinary activities	7	-	(396,359)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		6,563,487	916,345

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

DISCONTINUED OPERATIONS

On 21 March 2007, the trade and assets of the Company were hived up into The Business Mortgage Company Limited (formerly Oval (2125) Limited) On this date, the Company ceased trading

As such, the results for the year are attributable to discontinued operations

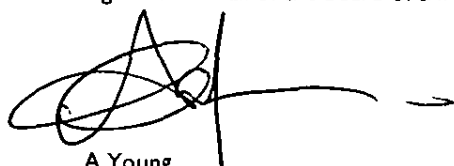
TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Balance sheet
31 December 2007**

	Notes	2007 (£)	2006 (£)
CURRENT ASSETS			
Tangible assets	9	-	191,927
Investments	10	-	1
Debtors	11	100	321,622
Cash at bank		-	926,023
		<u>100</u>	<u>1,439,573</u>
CURRENT LIABILITIES			
Creditors amounts falling due within one year	12	-	(1,074,231)
Deferred tax liability	14	-	(16,019)
		<u>100</u>	<u>349,323</u>
NET CURRENT ASSETS			
Creditors amounts falling due after more than one year	12	-	(12,710)
		<u>100</u>	<u>336,613</u>
NET ASSETS			
		<u>100</u>	<u>336,613</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	-	336,513
		<u>100</u>	<u>336,613</u>
SHAREHOLDERS' FUNDS			
		<u>100</u>	<u>336,613</u>

These financial statements were approved by the board of directors on 21st October 2008

Signed on behalf of the Board of Directors


A Young
Director

The accompanying notes are an integral part of this balance sheet.

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

Notes to the financial statements for the year ended 31 December 2007

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention. The accounting policies herein have been applied consistently throughout the current and preceding year.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

All turnover is generated through the provision of mortgage intermediation services to customers based in the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures, fittings and equipment	- 25% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Fixed asset investments

Fixed asset investments are stated at cost, less any provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

1 ACCOUNTING POLICIES (continued)

Going concern

On 21 March 2007, the entire trade and assets of TBMC Group Limited were hived up into The Business Mortgage Company Limited (formerly Oval (2125) Limited) and since this date, TBMC Group Limited has ceased trading

As required by Financial Reporting Standard 18 'Accounting Policies', the directors have prepared the financial statements on a basis other than that of a going concern. No material adjustments have arisen as a result of ceasing to apply the going concern basis of preparation.

2 OPERATING PROFIT

Operating profit is stated after charging

	2007 (£)	2006 (£)
Depreciation – owned assets	8,263	46,781
Depreciation – assets held under hire purchase agreements	3,445	12,406
Operating lease rentals	16,817	76,375

The analysis of auditors remuneration is as follows

	2007 (£)	2006 (£)
Fees payable to the company's auditors for the audit of the company's annual accounts	500	17,500
Fees payable to the company's auditors and their associates for other services to the company	-	-

Auditors remuneration for the current year has been borne by The Business Mortgage Company Limited, the ultimate parent company, on behalf of the Company. Auditors remuneration for the prior year was borne by, and paid by, the Company. Auditors remuneration for both years is payable to Deloitte & Touche LLP.

3 STAFF COSTS

Employee costs during the year amounted to

	2007 (£)	2006 (£)
Wages and salaries	232,471	1,130,952
Social security costs	23,712	290,945
	<u>256,183</u>	<u>1,421,897</u>

During the period from 1 January 2007 to 21 March 2007, the Company employed an average of 60 employees (including directors), being 10 management staff and 50 administration staff. Since 21 March 2007, the Company has had no employees. During the 2006 financial year, the Company employed an average of 56 employees, being 11 management staff and 45 administrative staff.

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

3 STAFF COSTS (continued)

Included in above costs is director's remuneration of

	2007 (£)	2006 (£)
Salary (including bonus)	33,750	-
Social security costs	4,320	-
	<u>38,070</u>	<u>-</u>

4 PROFIT ON DISPOSAL OF ASSETS AT HIVE UP

The trade and assets of the Company were hived up into The Business Mortgage Company Limited (formerly Oval (2125) Limited) on 21 March 2007

The Company received total consideration of £6,883,000 from The Business Mortgage Company Limited (formerly Oval (2125) Limited) in respect of this transaction. On this date, the Company had net assets of £265,261 and therefore, the transaction generated a profit on disposal of £6,617,739

Since the transaction, the trade of the Company has been continued by The Business Mortgage Company Limited (formerly Oval (2125) Limited)

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 (£)	2006 (£)
Deposit account interest	1,181	8,921

6 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following

	2007 (£)	2006 (£)
Interest payable on hire purchase contracts	489	1,683
Other interest payable	238,443	2,186
	<u>238,932</u>	<u>3,869</u>

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)**Notes to the financial statements for the year ended 31 December 2007
(continued)****7 TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2007 (£)	2006 (£)
Current tax		
UK corporation tax	-	404,606
Deferred tax (credit) / charge	-	(8,247)
Tax on profit on ordinary activities	-	396,359

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007 (£)	2006 (£)
Profit on ordinary activities before tax	6,563,487	1,312,704
Tax on profit on ordinary activities at standard rate of UK corporation tax – 30% (2006 – 30%)	1,969,046	393,811
Adjusted for effects of		
Expenses not deductible for tax purposes	238	7,498
Capital allowances in excess of depreciation	838	3,297
Non-taxable income	(2,189,961)	-
Losses not utilised	70,317	-
Utilisation of brought forward tax losses	149,522	-
Current tax charge	-	404,606

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

8 DIVIDENDS

During the year, the Company paid total dividends of £6,900,000 (2006 £945,312) £17,000 (2006 £945,312) was paid to Ian Wheadon and Will Wakely, both of whom were directors of the Company until 24 January 2007 £6,883,000 (2006 £nil) was paid to The Business Mortgage Company Limited, the immediate parent company with effect from 25 January 2007

9 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment (£)	Motor vehicles (£)	Total (£)
COST			
At 1 January 2007	280,619	65,649	346,268
Additions	3,804	15,151	18,955
Transferred at hive-up (note 6)	(284,423)	(80,800)	(365,223)
At 31 December 2007	-	-	-
DEPRECIATION			
At 1 January 2007	135,294	19,047	154,341
Charge for year	8,263	3,445	11,708
Transferred at hive-up (note 6)	(143,557)	(22,492)	(166,049)
At 31 December 2007	-	-	-
NET BOOK VALUE			
At 31 December 2007	-	-	-
At 31 December 2006	145,325	46,602	191,927

All motor vehicles included in the table above are held under hire purchase agreements

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

10 FIXED ASSET INVESTMENTS

**COST AND NET BOOK
VALUE**

At 1 January 2007	1
Additions	1
Transferred at hive-up (note 6)	(2)
At 31 December 2007	-

The Company's fixed asset investment held during the year relates to an investment in the share capital of following company

The Business Mortgage Company Services Limited

Country of incorporation	England and Wales
Nature of business	Other financial intermediation

The fixed asset investment addition in the year increased the Company's shareholding in The Business Mortgage Company Services Limited from 50% to 100%. Following the hive up of the trade and assets of the Company, TBMC Group Limited no longer holds an investment in this company as at 31 December 2007.

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 (£)	2006 (£)
Trade debtors	-	275,709
Prepayments and other debtors	-	45,913
Amounts owed by parent undertaking	100	-
	<u>100</u>	<u>321,622</u>

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 (£)	2006 (£)
Amounts falling due within one year		
Hire purchase contracts (note 13)	-	15,032
Trade creditors	-	28,008
Commission due to brokers	-	157,535
Amounts owed to group undertakings	-	1,453
Corporation tax	-	404,606
Social security and other taxes	-	21,997
Amounts payable to directors	-	135,081
Accruals	-	310,519
	-	1,074,231
	2007 (£)	2006 (£)
Amounts falling due after more than one year		
Hire purchase contracts (note 13)	-	12,710
	-	12,710

13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND OPERATING LEASES

	2007 (£)	2006 (£)
Hire purchase contracts		
Net obligations repayable		
Within one year	-	15,032
Between one and five years	-	12,710
	-	27,742

These liabilities are secured against the assets held under hire purchase agreements, as detailed in note 9

Operating lease commitments

The following operating lease payments are committed to be paid within one year of the balance sheet date

	2007 (£)	2006 (£)
Operating lease agreements expiring in		
More than five years	-	77,550

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)

**Notes to the financial statements for the year ended 31 December 2007
(continued)**

14 DEFERRED TAX

	2007 (£)	2006 (£)
Deferred tax	-	16,019
		Deferred tax (£)
At 1 January 2007		16,019
Transferred at hive-up (note 6)		(16,019)
At 31 December 2007		-

A deferred tax asset of £65,629 in respect of non-trading losses has not been recognised within the financial statements as there is insufficient evidence that these losses will be utilised in the foreseeable future. In the event of the company generating non-trading profits in the future, this asset may be available for utilisation.

CALLED UP SHARE CAPITAL

Authorised share capital			
Class	Number	2007 (£)	2006 (£)
Ordinary £1 shares	900	900	900
Ordinary 10p shares	1,000	100	100
		1,000	1,000
Allotted, issued and fully paid			
Class	Number		
Ordinary £1 shares	-	-	-
Ordinary 10p shares	1,000	100	100
		100	100

15 RESERVES

	Profit and loss account (£)
At 1 January 2007	336,513
Profit for the year	6,563,487
Dividends (note 8)	(6,900,000)
At 31 December 2007	-

TBMC GROUP LIMITED (formerly The Business Mortgage Company Limited)**Notes to the financial statements for the year ended 31 December 2007
(continued)****16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	2007 (£)	2006 (£)
Profit for the year	6,563,487	916,345
Dividends (note 8)	(6,900,000)	(945,312)
Net (reduction in) / addition to shareholders funds	(336,513)	(28,967)
Opening shareholders funds	336,613	365,580
Closing shareholders fund	100	336,613

18 RELATED PARTY DISCLOSURES

The company rented property during the year from Greenmeadow Properties Limited, a company in which Mrs E Wheadon and Mrs D Wakely, spouses of the two former company directors, jointly own the entire share capital. The rent charged in the year amounted to £16,817 (2006 £76,375). An amount of £nil (2006 £nil) was due to Greenmeadow Properties Limited at the year end.

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party of the Company is The Business Mortgage Company Limited (formerly Oval (2125) Limited) and this is the largest and smallest Group into which the results of the Company are consolidated. Copies of the financial statements of The Business Mortgage Company Limited (formerly Oval (2125) Limited) are available from The Business Mortgage Company Limited, Greenmeadow House, 2 Village Way, Greenmeadow Springs Business Park, Cardiff, CF15 7NE.