

TOLENT HOMES LIMITED

**Report and Financial Statements
For the year ended
31st December 2004**

2803140



TOLENT HOMES LIMITED

Annual report and financial statements for the year ended 31st December 2004

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TOLENT HOMES LIMITED

Directors, Secretary and Registered Office

Directors

J.G. Wood

I. Swire

Secretary

A.D. Clark

Registered Office

Amco House

Cedar Court Office Park

Denby Dale Road

Wakefield

West Yorkshire

WF4 3QZ

Registered in England : Company Number - 2803140

TOLENT HOMES LIMITED

Report of the directors for the year ended 31st December 2004

The directors present their report together with the audited financial statements for the year ended 31st December 2004.

1. Principal activities and business review

The company is principally engaged in property development projects.

No projects were developed in the year.

2. Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The retained profit has been transferred to the profit and loss account reserves.

3. Directors

The directors in office at the end of the year were Messrs J.G. Wood and I. Swire, both of whom served throughout the year.

Messrs J.G. Wood and I. Swire are also directors of the ultimate parent company and their interests in the shares of the ultimate parent company are disclosed in that company's financial statements.

4. Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that year. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them consistently, to make reasonable and prudent judgments and estimates, to state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and to 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 also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

5. Auditors

On 1st July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1st July 2004. Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



A.D. Clark
Secretary
8th March 2005

TOLENT HOMES LIMITED

Report of the independent auditors

To the members of TOLENT HOMES LIMITED

We have audited the financial statements of Tolent Homes Limited for the year ended 31st December 2004 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and notes 1 to 11. 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 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


GRANT THORNTON UK LLP

Registered Auditors

Chartered Accountants

Leicester

8th March 2005

TOLENT HOMES LIMITED

Profit and loss account for the year ended 31st December 2004

	Note	<u>2004</u>	<u>2003</u>
		£	£
Other operating charges		<u>0</u>	<u>(1,716)</u>
Operating profit/(loss)		0	(1,716)
Net interest	3	<u>0</u>	<u>31</u>
Profit/(loss) on ordinary activities before taxation	1	0	(1,685)
Tax on profit/(loss) on ordinary activities	4	<u>0</u>	<u>505</u>
Retained profit/(loss) transferred to reserves	8	<u>0</u>	<u>(1,180)</u>

All the above transactions relate to continuing activities.

There are no recognised gains or losses other than the profit for the financial year.



The accounting policies and notes 1 to 11 form part of these financial statements.

TOLENT HOMES LIMITED

Balance sheet at 31st December 2004

	Note	<u>2004</u>	<u>2003</u>
		£	£
Current assets			
Debtors	5	0	505
Cash at bank and in hand		<u>2</u>	<u>2</u>
		2	507
Creditors: amounts falling due within one year	6	<u>0</u>	<u>(505)</u>
		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>0</u>	<u>0</u>
Shareholders' funds	9	<u>2</u>	<u>2</u>

The financial statements were approved by the Board of Directors on 8th March 2005.


J.G. WOOD)

I. SWIRE)

Directors

The accounting policies and notes 1 to 11 form part of these financial statements.

TOLENT HOMES LIMITED

Statement of accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, up to and including FRS 19 - Deferred Tax, and under the historical cost convention.

The company, as a wholly owned subsidiary, is exempt from the requirements of Financial Reporting Standard 8 to disclose transactions within the Group headed by Tolent PLC.

The principal accounting policies of the company set out below have remained unchanged from the previous year.

No statement of cashflows has been presented as the cashflows of the company have been incorporated into the group financial statements

(a) Turnover

Turnover is the aggregate value of contracts completed during the year and the net increase in the value of work in progress to reflect the level of sales and work done during the year.

(b) Work in progress

The company's contracting activities are regarded as having the attributes of long term contracts and are treated as follows :

- the amount by which recorded turnover is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed within debtors.
- the balance of payments on account in excess of amounts (a) matched with turnover and (b) offset against long term contract balances are classified as payments on account and separately disclosed within creditors.
- the amount of long term contracts at cost incurred net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover are classified as long term contract balances and separately disclosed within stocks. This presentation is in accordance with the provisions of Statement of Standard Accounting Practice No. 9 (revised).

TOLENT HOMES LIMITED

Notes forming part of the financial statements for the year ended 31st December 2004

1. Turnover and loss on ordinary activities before taxation

All the company's turnover and results are derived from its principal activity of property development, and its turnover is all from the United Kingdom.

Profit/(loss) on ordinary activities is stated after:

	<u>2004</u>	<u>2003</u>
	£	£
Auditors' remuneration	<u>0</u>	<u>450</u>

2. Directors and employees

The average number of employees of the company during the year was 2 (2003 - 2).

Staff costs include remuneration in respect of directors of £nil (2003 - £nil).

3. Net interest

	<u>2004</u>	<u>2003</u>
	£	£
Receivable on bank balances	<u>0</u>	<u>31</u>

4. Taxation on profit/(loss) on ordinary activities

The taxation (charge)/credit is based on the loss for the year and is made up as follows

	<u>2004</u>	<u>2003</u>
	£	£
United Kingdom corporation tax at 30% (2003 - 30%)	<u>0</u>	<u>505</u>
	<u>0</u>	<u>505</u>

5. Debtors

	<u>2004</u>	<u>2003</u>
	£	£
Corporation Tax	<u>0</u>	<u>505</u>

6. Creditors: amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	£	£
Amounts owed to group undertakings	0	80
Other creditors	<u>0</u>	<u>425</u>
	<u>0</u>	<u>505</u>

TOLENT HOMES LIMITED

Notes forming part of the financial statements for the year ended 31st December 2004
(continued)

7. Called up share capital

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Authorised, ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. Reserves

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Profit and loss account		
At 1st January 2004	0	1,180
Retained profit/(loss) for year	<u>0</u>	<u>(1,180)</u>
At 31st December 2004	<u>0</u>	<u>0</u>

9. Reconciliation of movements in shareholders' funds

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for year	<u>0</u>	<u>(1,180)</u>
Net increase/(decrease) in shareholders' funds	0	(1,180)
Shareholders' funds at 1st January 2004	<u>2</u>	<u>1,182</u>
Shareholders' funds at 31st December 2004	<u>2</u>	<u>2</u>

10. Contingent liabilities

The company is party to cross guarantees for the bank borrowings of Tolent PLC, Tolent Corporation Limited, Tolent Construction Limited and Ravensworth Properties Limited.

At 31 December 2004 this amounted to £nil (2003 - £nil).

11. Ultimate parent undertaking

The immediate parent undertaking of this company is Tolent Corporation Limited. The ultimate parent undertaking/controlling related party of this company is Tolent PLC, which is registered in England and Wales. The only group of undertakings for which consolidated accounts have been prepared is that headed by Tolent PLC. Further details relating to this matter are disclosed in that company's financial statements, copies of which can be obtained from the Registered Office.