

TOLENT HOMES LIMITED

**Report and Financial Statements
For the year ended
31st December 2009**

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TOLENT HOMES LIMITED

Annual report and financial statements for the year ended 31st December 2009

Contents

Page

- 1 Directors, Secretary and Registered Office
- 2 Report of the directors
- 3 Report of the independent auditors
- 4 Profit and loss account
- 5 Balance sheet
- 6 Statement of accounting policies
- 7 Notes forming part of the financial statements

TOLENT HOMES LIMITED

Directors, Secretary and Registered Office

Directors

J G Wood

A D Clark

Secretary

A D Clark

Registered Office

Ravensworth House

5th Avenue Business Park

Team Valley

Gateshead

Tyne and Wear

NE11 0HF

Registered in England Company Number - 2803140

TOLENT HOMES LIMITED

Report of the directors for the year ended 31st December 2009

The directors present their report together with the audited financial statements for the year ended 31st December 2009

1. Principal activities and business review

The company is principally engaged in property development

On 13th May 2009 the trade and assets of Echo Buildings Limited, a related company, were transferred at market value to Tolent Homes Limited. The company was previously dormant

2. Results

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

3. Directors

The directors in office at the end of the year were Messrs J G Wood and A D Clark both of whom served throughout the year

Messrs J G Wood and A D Clark 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 responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors 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 judgments and estimates that are reasonable and prudent, 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 keeping adequate accounting records that 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 maintaining adequate accounting records, for safeguarding the assets of the company and hence for preventing and detecting fraud and other irregularities. In so far as the directors are aware there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

5. Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



A D Clark

Secretary

3rd March 2010

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 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and notes 1 to 11. 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 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 Director's Responsibilities Statement set out on page 2, 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 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 the 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/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs at 31st December 2009 and of its loss 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 Report of the Directors 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.

Michael Redfern

Michael Redfern

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Sheffield

3rd March 2010

TOLENT HOMES LIMITED

Profit and loss account for the year ended 31st December 2009

	Note	<u>2009</u>	<u>2008</u>
		£	£
Turnover	1	169,354	0
Increase in work in progress		<u>8,664,080</u>	<u>0</u>
		8,833,434	0
Other operating charges		<u>(8,775,179)</u>	<u>0</u>
Operating result		58,255	0
Net interest	2	<u>(92,859)</u>	<u>0</u>
(Loss)/profit on ordinary activities before taxation	1	(34,604)	0
Tax on (loss)/profit on ordinary activities	3	<u>9,689</u>	<u>0</u>
Retained (loss)/profit charged to reserves	8	<u>(24,915)</u>	<u>0</u>

All the above transactions relate to continuing activities

There are no recognised gains or losses other than the result 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 2009

	Note	<u>2009</u> £	<u>2008</u> £
Current assets			
Work in progress		8,664,080	0
Debtors	4	90,450	0
Cash at bank and in hand		<u>29,470</u>	<u>2</u>
		8,784,000	2
Creditors amounts falling due within one year	5	<u>(6,108,298)</u>	<u>0</u>
Net Current Assets		2,675,702	2
Creditors amounts falling due after more than one year	6	<u>(2,700,615)</u>	<u>0</u>
		<u>(24,913)</u>	<u>2</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>(24,915)</u>	<u>0</u>
Shareholders' funds	9	<u>(24,913)</u>	<u>2</u>

The financial statements were approved by the Board of Directors on 3rd March 2010



J G WOOD

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Directors



A D CLARK

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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, and under the historical cost convention

The company is exempt from the requirements of Financial Reporting Standard 8 to disclose transactions within the Group headed by Tolent PLC

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

The principal accounting policies of the company are set out below

(a) Turnover

Turnover is the total amount receivable in respect of work done and services provided, excluding value added tax

(b) Work in progress

Work in progress is valued at the lower of cost and net realisable value

TOLANT HOMES LIMITED

Notes forming part of the financial statements for the year ended 31st December 2009

1 Turnover and result on ordinary activities before taxation

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

Loss on ordinary activities is stated after

	2009	2008
	£	£
Auditors' remuneration		
For the audit of the company	1,675	0
Tax Services	325	0
	<u>2,000</u>	<u>0</u>

2. Net interest

	2009	2008
	£	£
Payable on bank overdraft and other loans repayable within five years, otherwise than by instalments	<u>92,859</u>	<u>0</u>

3. Tax on result on ordinary activities

The tax credit represents

	2009	2008
	£	£
Corporation tax at 28% (2008 - 28.5%)	<u>(9,689)</u>	<u>0</u>
Current tax charge for year	<u>(9,689)</u>	<u>0</u>
Loss on ordinary activities before taxation	(34,604)	
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2008 - 28.5%)	(9,689)	0
Effects of		
expenses not deductible for tax purposes	<u>0</u>	<u>0</u>
Current tax credit for the year	<u>(9,689)</u>	<u>0</u>

4. Debtors

	2009	2008
	£	£
Other debtors	80,761	0
Current taxation	<u>9,689</u>	<u>0</u>
	<u>90,450</u>	<u>0</u>

TOLANT HOMES LIMITED

Notes forming part of the financial statements for the year ended 31st December 2009
(continued)

5. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	51,186	0
Other creditors and accruals	47,125	0
Bank loan	186,179	0
Amounts owed to related undertakings	5,823,808	0
	<u>6,108,298</u>	<u>0</u>

The loan was secured over a site included within work in progress and is repayable on demand. Interest is payable on the loan at 3% over bank Libor rate.

6. Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank Loan	<u>2,700,615</u>	<u>0</u>
Aggregate amounts repayable by instalments		
within one year	186,179	0
between one and two years	193,013	0
between two and five years	<u>2,507,602</u>	<u>0</u>
	<u>2,886,794</u>	<u>0</u>

7. Called up share capital

	2009	2008
	£	£
Allotted, called up and fully paid -		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

8. Profit and loss account

	2009	2008
	£	£
At 1st January 2009	0	0
Retained (loss)/profit for year	<u>(24,915)</u>	<u>0</u>
At 31st December 2009	<u>(24,915)</u>	<u>0</u>

TOLENT HOMES LIMITED

Notes forming part of the financial statements for the year ended 31st December 2009
(continued)

9. Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
(Loss)/profit for year	(24,915)	0
Net increase in shareholders' funds	(24,915)	0
Shareholders' funds at 1st January 2009	2	2
Shareholders' funds at 31st December 2009	(24,913)	2

10. Contingent liabilities

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

At 31 December 2009 this amounted to £nil (2008 - £nil)

11. Ultimate parent undertakings

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.