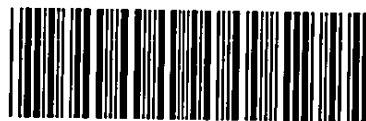


**TOLENT PLC** 3819314  
**Unconsolidated**

**Interim accounts**  
**For the period ended**  
**31st March 2009**

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**TOLENT PLC**

Interim accounts for the period ended 31st March 2009

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## **TOLENT PLC**

**Directors, Secretary and Registered Office**

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### **Directors**

P.K.Hems

J.G. Wood

T. Phillipson

A.D. Clark

M.R. Speakman

### **Secretary**

A.D. Clark

### **Registered Office**

Ravensworth Houes

5th Avenue Business park

Team Valley

Gateshead

Tyne and Wear

NE11 0HF

**Registered in England : Company Number - 3819314**

Company profit and loss account for the period ended 31st March 2009

	Note	Period to 31st March 2009	Year to 31st December 2008
		£	£
Income received		224,000	1,096,000
Other operating charges		<u>(51,266)</u>	<u>(164,341)</u>
Operating profit		172,734	931,659
Net interest	2	<u>0</u>	<u>(237)</u>
<b>Profit on ordinary activities before taxation</b>	1	172,734	931,422
Taxation on profit on ordinary activities	3	<u>7,634</u>	<u>3,681</u>
<b>Profit on ordinary activities after taxation</b>	9	<u><u>180,368</u></u>	<u><u>935,103</u></u>

All the above transactions relate to continuing activities.

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

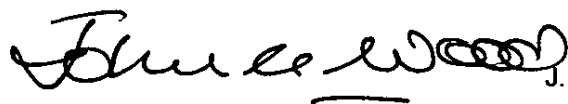
The statement of accounting policies and notes 1 to 11 form part of these interim accounts.

## TOLENT PLC

Company Balance sheet as at 31st March 2009

	Note	31st March 2009	31st December 2008
<b>Fixed assets</b>			
Investments	5	<u>2,000,000</u>	<u>2,000,000</u>
<b>Current assets</b>			
Debtors	6	5,149,844	5,534
Cash at bank and in hand		<u>375,883</u>	<u>4,513,832</u>
		5,525,727	4,519,366
<b>Creditors: amounts falling due within one year</b>	7	<u>(105,626)</u>	<u>(4,399,851)</u>
<b>Net current assets</b>		<u>5,420,101</u>	<u>119,515</u>
		<u>7,420,101</u>	<u>2,119,515</u>
<b>Capital and reserves</b>			
Share capital	8	1,283,263	1,283,263
Capital reserve	9	528,359	528,359
Other reserve	9	(256,350)	(256,350)
Profit and loss account	9	<u>5,864,829</u>	<u>564,243</u>
Shareholders' funds		<u>7,420,101</u>	<u>2,119,515</u>

The financial statements were approved by the Board of Directors on 24th April 2009.



J. G. WOOD Chief Executive



A. D. CLARK Financial Director

The statement of accounting policies and notes 1 to 11 form part of these interim accounts.

## **TOLENT PLC**

### **Statement of accounting policies**

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The interim accounts have been prepared under UK GAAP. The interim accounts have been prepared under the historical cost convention.

The principal accounting policies represent the most appropriate in accordance with FRS 18 and have remained unchanged from the previous period.

**(a) Deferred tax**

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on a discounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**(b) Retirement Benefits**

**Defined Contribution Schemes**

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

**(c) Leased assets**

Operating lease costs are charged to the profit and loss account on a straight line basis over the period of the lease term.

**(d) Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

**(e) Employee Share Ownership Plan**

The Group's Employee Share Ownership Plan ("ESOP") is a separately administered trust. The assets of the ESOP comprise shares in the company and cash. The assets, liabilities, income and costs of the ESOP have been included in the financial statements in accordance with UITF 38: Accounting for ESOP trusts. The shares in the company are included at cost to the ESOP and deducted from shareholders' funds and dividend income is excluded in arriving at profit before tax and deducted from the aggregate of dividends paid and proposed. When calculating earnings per share these shares are treated as if they were cancelled.

# TOLENT PLC

Notes forming part of the interim accounts for the period ended 31st March 2009

## 1. Turnover and profit on ordinary activities before taxation

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

Result on ordinary activities is stated after:

	31st March 2009	31st December 2008
	£	£
Auditors' remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	0	11,200

## 2. Net Interest

	31st March 2009	31st December 2008
	£	£
Bank interest receivable	0	513
Other interest payable	0	(750)
	0	(237)

## 3. Taxation

The tax charge represents:

	31st March 2009	31st December 2008
	£	£
Current tax credit for period	7,634	3,681

## 4. Dividends

	31st March 2009	31st December 2008
	£	£
Final dividend in respect of 2008 of nilp (2007 - 10.5p) per 10p ordinary share	0	1,347,426
Interim dividend in respect of 2009 of nilp (2008 - 4p) per 10p ordinary share	0	513,305
Dividends received by ESOP Trust	0	(52,925)
	0	1,807,806

## 5. Investments

	31st March 2009	31st December 2008
	£	£
Shares in subsidiary undertakings	2,000,000	2,000,000

All group companies have only ordinary shares in issue and are registered in England and Wales.

The principal subsidiary undertakings are as follows:

	Activity	Proportion of shares held by	
		Group	Company
		%	%
Tolent Corporation Limited	Holding company	100	100
Tolent Construction Limited	Building & civil engineering	100	0
Ravensworth Properties Limited	Property investment	100	0
Echo Buildings Limited	Property investment	100	0

# **TOLENT PLC**

Notes forming part of the interim accounts for the year ended 31st March 2009 (continued)

## **6. Debtors**

	<u>31st March 2009</u>	<u>31st December 2008</u>
	£	£
Other debtors	13,626	4,534
Amounts due from shareholders	5,120,218	0
Amounts owed by group undertakings	<u>16,000</u>	<u>1,000</u>
	<u><u>5,149,844</u></u>	<u><u>5,534</u></u>

Amounts due from Shareholders will be satisfied by the final dividends described in note 9.

## **7. Creditors: amounts falling due within one year**

	<u>31st March 2009</u>	<u>31st December 2008</u>
	£	£
Trade creditors	18,421	14,522
Other creditors	38,315	32,661
Preference dividends payable	7,003	7,003
Current taxation	4,878	12,512
Amounts owed to group undertakings	<u>37,009</u>	<u>4,333,153</u>
	<u><u>105,626</u></u>	<u><u>4,399,851</u></u>

Other creditors include £12,500 of non equity shares classed as liabilities (see note 8)

## **8. Share capital**

	<u>31st March 2009</u>		<u>31st December 2008</u>	
	Number of shares	£	Number of shares	£
<b>Equity</b>				
<b>Authorised</b>				
Ordinary shares of 10p each	<u>27,500,000</u>	<u>2,750,000</u>	<u>27,500,000</u>	<u>2,750,000</u>
<b>Allotted and fully paid</b>				
Ordinary shares of 10p each	<u>12,832,626</u>	<u>1,283,263</u>	<u>12,832,626</u>	<u>1,283,263</u>
<b>Shares recognised as a liability</b>				
Authorised - Cumulative redeemable preference shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted - Cumulative redeemable preference shares of £1 each (paid up as to one quarter)	<u>50,000</u>	<u>12,500</u>	<u>50,000</u>	<u>12,500</u>

The holder of preference shares is entitled to a fixed cumulative preferential net cash dividend at the rate of 6% per annum on the capital for the time being paid up thereon, but is not entitled to participate further in the profits of the Company and has no voting rights. The preference shares are redeemable at par.

In accordance with FRS 25 - Financial Instruments: Disclosure and Presentation, the preference shares have been re-classified as financial liabilities and included in other creditors in note 7.



**9. Reserves**

	Capital reserve	Other reserve - ESOP	Profit and loss account
	£	£	£
At 1st January 2009	528,359	(256,350)	564,243
Profit for the period	0	0	180,368
Reversal of dividends previously appropriated	0	0	5,120,218
At 31st March 2009	<u>528,359</u>	<u>(256,350)</u>	<u>5,864,829</u>

**Unlawful dividends**

It has recently come to the attention of the Directors that there has been a technical breach of Companies Acts the impact of which is that certain interim and final dividends paid between 2002 and 2008 totalling £5,120,218 have been paid unlawfully. The breach has arisen due to the fact that the latest relevant accounts, at dates preceding each of those dividends, did not show that the Company had sufficient reserves to support those dividends. However management accounts for dates immediately preceding each of the dividend payments did show that the Company had sufficient reserves but these accounts were not filed with the Registrar of Companies in breach of the relevant requirements of the Companies Acts and the dividends were therefore unlawful.

The Company has been advised by its external legal advisors that this matter can be rectified by the Shareholders passing a resolution to ratify these breaches and to put the Shareholders and Directors into the position as was always intended. This will be done by treating all of the original unlawful dividends as loans to each of the Shareholders who received them and each Shareholder's obligation to repay the relevant loans will be satisfied by the declaration and approval of new dividends of the Company equal to the amount of the loans received by each Shareholder. The resolution will be tabled at the Company's forthcoming Annual General Meeting. HMRC has provided the Company with written confirmation that each of the unlawful dividends will be treated as taxable at the date of original payment and therefore will have no tax implications for the Company or the UK resident Shareholders.

The Company's distributable profits shown in the 2008 accounts have not been adjusted to reflect the impact of the unlawful dividends. These interim accounts as at 31 March 2009 recognise an asset for the cumulative amount of unlawful dividends and show a corresponding increase in the distributable reserves of the same amount. The asset created by the cancellation of the unlawful dividends will be recovered by way of set off against the new dividends being proposed at the 2009 Annual General Meeting.

**Other reserves**

The Employee Share Ownership Plan ("the Trust") was established by a Deed in February 2003 made between the Company and Amco Holdings Limited ("the Trustees"). The Trust was established for the benefit of the bona fide employees of the Company and other Group companies ("the Beneficiaries"). The Trust is a Discretionary Trust whose assets are shares in the Company and the Trustees have full authority and power to distribute such shares as they deem fit to the Beneficiaries.

As of 31st March 2009 the Trust held 365,000 (31st December 2008 - 365,000) ordinary shares of 10p each in the capital of the company (2.84% of the allotted share capital).

The market value of the shares in the ESOP at 31st March 2009 was £119,000 (31 December 2008 - £120,000).

**10. Contingent liabilities**

The Company is party to cross guarantees for the bank borrowings of Tolent Construction Limited, Tolent Corporation Limited, Tolent Homes Limited and Ravensworth Properties Limited. At 31st March 2009 this amounted to £nil (31st December 2008:£nil).

The Company provides guarantees to subsidiary companies in the normal course of business to guarantee the contractual obligations of subsidiary companies. The directors have determined that no specific provision is required for these guarantees.

**11. Related party transactions**

The Company has a number of common directors with Billington Holdings Plc. The Company has undertaken normal arms length trading activities with related undertakings of Billington Holdings Plc throughout the period.