COMPANIES HOUSE

TOLENT PLC

3819314

Report and Financial Statements

For the year ended

31st December 2009

TOLENT PLC

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

Contents

Page

TOLENT PLC

Directors, Secretary and Registered Office

Directors

P K Hems	Executive Chairman
J G Wood	Chief Executive
T Phillipson	Operations Director
A D Clark	Financial Director
M R Speakman	Non Executive Director

Secretary

A D Clark

Registered Office

Ravensworth House
5th Avenue Business Park
Team Valley
Gateshead
Tyne and Wear
NE11 0HF

e-mail info@tolent co uk
Web site www tolent co uk

Registrar

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0LA

Auditors

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
2 Broadfield Court
Sheffield
S8 0XF

Registered in England Company Number - 3819314

TOLENT PLC

Chairman's Statement

Introduction

The results for the year reflect the extremely challenging trading conditions with stiff competition for new work giving rise to pressure on pricing and margins Operating profits (before investment property revaluations and joint ventures) are £0 6m on turnover of £87 6m compared with £2 0m on £154m in 2008 This result is after charging £0 9m of redundancy and reorganisation costs Downwards property valuations are again a feature of the year, albeit at a lower level than for 2008, which has resulted in an overall profit before taxation for the year of £58,000 compared with a profit before taxation of £1 3m in 2008

The tax charge in 2009 is high due to a restriction to the deferred taxation credit available to offset the investment property write down

We suffered net cash outflow in the year, mainly due to reductions in working capital balances in line with a reducing level of activity At the year end the Group had cash funds in hand of £6 1m compared with £12 9m at the end of 2008 It is worth noting that this figure is an integral part of the working capital of the business and is expected to fluctuate both up and down throughout the year depending upon the type and quantity of work in progress at any point in time In addition to the above the Group had borrowings at the year end of £2 9m (2008 £3m) relating to investment properties held for resale

Dividends

In light of the overall result for the year and the uncertainty in terms of the general market conditions impacting current trading the Board does not consider that it is appropriate to propose a dividend in relation to the 2009 trading (2008 – 4p)

Operational Highlights

The company delisted from the Alternative Investment Market with effect from 16 February 2010 following the passing of a Special Resolution at the General Meeting held on 8 February 2010 I am well aware that this proposal did not meet with the full approval of all the shareholders, but the Board remain of the view that such course of action is in the best interests of the business as a whole The new matched bargain arrangement for shareholders wishing to trade in the shares has commenced and Brewin Dolphin have written to all shareholders notifying them of the new service

The Chief Executive's review sets out details of projects undertaken in 2009 illustrating the wide variety of construction projects in which Tolent is engaged The results from joint venture property development activities has been disappointing and are impacted by market conditions However there are a number of new ventures which are still at an early stage and it is hoped will provide opportunities for the future

The Group has continued its cost reduction programme throughout the year to ensure that as far as practical the overhead base of the Group is in line with the reduced activity levels currently being experienced We went into 2010 with an order book of £43 million (2009 - £72 million)

Employees

On behalf of the board of directors I would like to thank the directors and all of the Group's employees for their efforts during 2009

Outlook for 2010

It has been a difficult year for the Construction Industry as the downturn in work translated to an increasingly competitive market There were fewer projects coming to market and margins in general tightened The outlook for 2010 remains very challenging although we are seeing signs that tendering activity is increasing The lack of available bank funding for private commercial clients continues to be the biggest challenge and we do not anticipate that there will be any improvement in the market generally until the second half of the year at the earliest The Directors anticipate that the turnover for 2010 will be at a similar level to that for 2009 The cost reduction programme as noted above has ensured a cost base consistent with the reduced workload

The company has a number of ongoing projects which it is currently working on and there are a number of new opportunities for work which are being actively pursued such that the Directors are confident of achieving a satisfactory result for 2010

Peter Hems
Executive Chairman
3rd March 2010

TOLENT PLC

Chief Executive's Review

Tolent operates across the construction sector providing services in building, civil engineering and property development Our objective is to continue to achieve our maximum potential in each of these activities by maintaining our focus on quality, value for money and delivering a service in a non-adversarial customer friendly manner

Our success has been brought about by the quality of the people involved in our business together with subcontractors and suppliers who share our ethos of providing a pro-active and responsive service that meets our customers' demands This policy has resulted in consistent repeat business on an ever expanding customer base

Our belief that people are our most precious asset is supported by our commitment to training and personnel development This will ensure that our long term objectives can be delivered to customers on a consistent basis

2009 has seen the second year of reduced profits and turnover following year on year increases since the early 1990's as the "credit crunch" has impacted on the construction industry and the world economy in general particularly in relation to privately funded commercial schemes

A lack of liquidity from the banks together with softening yields in the property market has resulted in several major projects being cancelled or put on hold until the economic climate improves

To mitigate some of the effects of this downturn in work we are actively looking to broaden the range of activities/sectors in which we operate and where possible have assisted with funding packages on non speculative developments that generate work for the construction company

We continue to operate from five regional offices in Tyneside, Teesside, Leeds, Manchester and London where our presence ensures we keep in close touch with local market conditions and allows us to respond quickly to customer demand

As in previous years we have completed several major projects The variety can be best demonstrated by projects undertaken during the year

- Work at Staythorpe Power Station for Alstrom (£6m)
- Continuing to re-fit and modernise Senate House for The University of London (£20 3m)
- Hotels for Apex Hotels in London £12 6m and Days Inn at Whetherby (£3 9m)
- A £6 7m student accommodation scheme in York
- An office development at Hudson Quay, Middlehaven (£5 1m)
- Completion of the re-development of the Newcastle City Library (£24 7m)
- Completion of the re-development of the Haymarket Hub metro station in Newcastle (£22m), and
- Offices on Gallowgate (£22 6m)

Health and Safety

A programme of continuous improvement in Health and Safety Management and staff training has resulted in an excellent safety record This has been recognised by annual Gold Awards and the Prestigious President's Award from the Royal Society for the Prevention of Accidents (RoSPA) The accident frequency rate was 0 187 per 100,000 hours for 2009 (2008 – 0 227) This rate compares favourably with the national average for the construction industry according to the Health and Safety Executive statistics of 2 5 per 100,000 hours During 2009 we maintained our in house City and Guilds accreditation at Gateshead which provides courses for our employees, subcontractors and also provides training for third parties In 2009 in excess of 3,000 'off job' hours of health and safety training have been delivered with a total of 373 site visits and audits being completed

Checkhire Limited - Joint Venture

Checkhire is a 50/50 joint venture company owned by Tolent and Amco Property Investments Plc The company own 15 5 acres of land adjacent to junction 46 on the M1, known as Temple Point, and has planning permission to develop 166,000 sq ft of office space The infrastructure and the first nine units (78,000 sq ft) have now been completed with eight units having been sold to date The new building for the D V L A was completed in the course of 2009 and is currently in the process of being sold

42nd Street (Haymarket Hub) Limited - Joint Venture

42nd Street Haymarket Hub is a joint venture company owned 50% Tolent, 33% 42nd Street Realty Limited and 17% Closegate

Tolent Construction Limited constructed a mixed use development totalling 46,000 sq ft over the Haymarket Metro Station in the centre of Newcastle In addition, the new building refurbishment of the existing station platforms and concourse was undertaken with the total value of both contracts being £22 4m The scheme achieved practical completion in December 2009 and is set to become a new focal point in the city and given its excellent location has already attracted high quality Tenants such as H B O S and Ladbrokes who have leased premises on the ground floor We have other interests for the remaining Grade A offices space with the scheme looking set to be a great success

Coolmore Estates Limited and Coolmore Land Limited

Coolmore Estates is a joint venture company owned 25% by Tolent Construction Ltd with the remainder by Philip Moross and Alistair Ross

A site of 200 acres has been identified adjacent to the A19 in Seaham NE England where we have achieved planning permission for a mixed development comprising of Film Studios, Education, Industrial, Commercial, Residential and Leisure A unique feature of the development is the strong link with education, and Sunderland University, East Durham Community College in association with the Learning Skills Council are keen to participate Students will be given the opportunity to gain on the job experience in the film industry at various levels from production through to NVQ training in the various trades associated with set manufacture The studios will attract light industry to support the film making together with a hotel and residential accommodation for those involved in the various productions

Coolmore Land Limited, a 100% subsidiary of Tolent Plc, owns the land and has granted options to Coolmore Estates Limited to purchase the land

Ravensworth Properties Limited

Ravensworth operates in the office letting market with all its properties being set in purpose built office parks Ravensworth continually reviews the standards being offered in the market place and makes improvements where considered necessary to the property stock The strategy is to secure tenants with good covenant strength for lease periods in excess of three years

Interest rate fluctuations have an impact in terms of interest payments on the capital expenditure incurred and also on the market place relating to lessee companies ability to move into new offices or to remain in their existing space

No properties were acquired or disposed of during 2009 We are close to agreeing a lease for one vacant unit and agents have been appointed to secure tenants for the remaining four vacant units but in the current economic conditions this is proving difficult The total space available to let is 75,300 sq ft The occupancy rate for 2009 was 69% compared with 83% in 2008 following the termination of one lease due to non payment and a further tenant relocating at the end of their lease

Ravensworth does not intend to expand/dispose of the property base significantly Companies within the Tolent Plc group occupy a number of the properties and the continued success of these companies has a direct bearing on the results of Ravensworth The recent changes to the empty property relief for business rates has continued to have an adverse effect on operating margins due to vacant units It is envisaged 2010 will be another difficult year following the continued economic downturn However, with the exception of the five offices noted above all other premises are 100% occupied

Tolent Homes Limited

We have retained 45 apartments in the Echo Buildings in Sunderland which was completed in 2008 and remain unsold We are pleased to report that these have remained fully rented throughout 2009 and are currently fully let We continue to market these apartments for sale but in the current depressed housing market this is proving difficult

John G Wood
Chief Executive
3rd March 2010

TOLENT PLC

Financial Director's Report

Results

Total turnover decreased 43% in 2009 from £153m in 2008 to £88m The result before property revaluations and share of results from joint ventures has reduced from £2 0m to £0 6m This result is after £0 9m of redundancy and reorganisation costs Excluding the effects of redundancies and the property valuation operating margins have increased to 1 7% compared with 1 4% in 2008 reflecting tight control of site and overhead expenditure

A downward movement of £0 4m on the valuation of the investment properties reflecting the current depressed market in commercial property means that operating profits in 2009 are reduced to £0 14m from £0 7m in 2008

Net interest declined from £0 6m receivable in 2008 to £0 1m payable in 2009 The reduction in the Bank of England base rate from 5 25% in early 2008 to 0 5% at the end of 2009 had a major impact on the interest received which reduced from £0 7m to £50,000 Interest paid remained constant at £0 1m

The profit before tax was £58,000 compared with £1 3m in 2008

Taxation and earnings per share

The tax charge in 2009 was £0 2m compared to £0 6m in 2008 The tax rate is significantly higher than the standard rate of corporation tax in the United Kingdom of 28% for the year to 31 December 2009 The major reason for this is the lack of tax relief available for the downward valuation of the properties

Dividends

No dividends were paid or proposed in respect of 2009 trading (2008 – 4p)

Cashflow

The Group had net funds at the end of 2009 of £6 1m, which is an overall net outflow of funds of £6 8m from the net funds position of £12 9m at the end of 2008 which is reflective of the lower level of activity that has taken place during the year The year end cash position can be a misleading figure as it only represents the cash balances on one day during the year

Andy Clark

Financial Director

3rd March 2010

TOLENT PLC

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 the activity of a holding company and the provision of management services to its subsidiaries

The Group is principally engaged in the construction industry in the UK

A detailed review of the Group's activities during the year and of its prospects is contained within the Chairman's Statement, the Chief Executive's Review and the Financial Director's Report

2. Results and dividends

The consolidated income statement is set out on page 10 and shows the result for the year

No interim dividend was paid The directors do not recommend payment of a final dividend

3. Directors

The directors in office at the end of the year were Messrs P K Hems, J G Wood, T Phillipson, A D Clark and M R Speakman all of whom served throughout the year

In accordance with the articles of association, which require one third of the directors to retire each year, but not exceeding one third, Mr J G Wood retires by rotation and offers himself for re-election

The interests of the directors in shares of the company were as follows -

	Tolent PLC ordinary 10p shares	
	31st December 2009	1st January 2009
P K Hems	10,000	0
J G Wood	50,000	50,000
M R Speakman	3,000	3,000

No other director held shares in the company

4. Disabled persons

The Group's policy is to give sympathetic consideration, in both recruitment and training, to the problems of the disabled, and to assist them in developing their knowledge and skills to undertake greater responsibilities wherever possible

5 Employee involvement

It is Group policy to disseminate relevant information about Group affairs amongst employees

6. Charitable donations

During the year the Group made contributions totalling £10,000 (2008 - £25,000) to United Kingdom charitable organisations

7 Payment policy

The Group's policy is to agree terms and conditions with suppliers before business takes place and to pay agreed invoices in accordance with the terms of payment Trade creditors of the Group at the year end amount to 86 days (2008 - 76 days) of average supplies for the year, this is equivalent to a normal credit period of 55 days (2008 - 45 days) The parent company does not trade outside the Group and therefore does not have trade creditors

8. Substantial shareholdings

The company has been notified that on 3rd March 2010 the following shareholders had interests of 5% or more in the issued ordinary shares of the Company

	Number	Percentage
Gutenga Investments PCC Limited	6,411,318	49 96%
Tarom Foundation	2,645,000	20 61%

9. Statement of directors' responsibilities

The directors are responsible for preparing the report of the Directors and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU, and for preparing the parent company 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 Group and the parent company as at the end of the financial year and of the profit or 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 Group 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 safeguarding the assets of the company and taking reasonable steps 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

The maintenance and integrity of the tolent plc uk and tolent co uk websites is the responsibility of the directors the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

10. Financial risk management objectives and policies

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade receivables and payables that arise directly from its operations The main purpose of these financial instruments is to raise finance for the Group's operations The main risks arising from the Group financial instruments are interest rate risk and liquidity risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

Interest rate risk
The Group finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings The Group's exposure to interest rate fluctuations on its borrowings is managed on a Group basis by the use of both fixed and floating facilities
Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through loans arranged at Group level Short term flexibility is achieved by overdraft facilities
Credit risk
The Group's principal financial assets are trade debtors and amounts recoverable on contracts In order to manage the credit risk the directors consider exposure on a customer by customer basis for significant contracts

11. Auditors

Grant Thornton UK LLP have expressed willingness to continue in office In accordance with Section 489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting

12. Approval

The board of directors of Tolent PLC has approved the contents of this report and financial statements for the year ended 31st December 2009

BY ORDER OF THE BOARD

A D Clark
Secretary
3rd March 2010

Independent Auditor's Report to the members of Tolent Plc

We have audited the financial statements of Tolent PLC for the year ended 31st December 2009 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and parent company balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the statement of group accounting policies, the statement of parent company accounting policies and the group and parent company related notes The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 Directors' Responsibilities Statement set out on page 7, 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 group's and of the parent company's affairs as at 31st December 2009 and of the group's loss for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,and
- the financial statements 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
3rd March 2010

TOLENT PLC

Consolidated income statement for the year ended 31st December 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
Group Revenue	1		87,638		153,510
Raw materials and consumables		7,110		9,837	
Sub contract and other direct costs		57,453		112,924	
			(64,563)		(122,761)
			23,075		30,749
Staff costs	2	18,537		24,215	
Depreciation	7	371		348	
Other operating charges		2,667		3,984	
			(21,575)		(28,547)
			1,500		2,202
Redundancy and reorganisation costs	3		(913)		(187)
			587		2,015
Loss from investment property	7		(523)		(1,287)
Profit from investment property	7		110		0
Share of post tax (loss)/profit in joint ventures and associates	8		(30)		11
Operating profit			144		739
Finance income	4		48		664
Finance cost	4		(134)		(104)
Profit before taxation	1		58		1,299
Taxation	5		(241)		(626)
(Loss)/profit after taxation			(183)		673
Attributable to equity shareholders of Tolent Plc			(183)		673

All the above transactions relate to continuing activities

The statement of group accounting policies and notes 1 to 24 form part of these consolidated financial statements

TOLENT PLC

Consolidated statement of comprehensive income for the year ended 31st December 2009

	2009	2008
	£'000	£'000
(Loss)/profit for the year	(183)	673
Other comprehensive income·		
Cash flow hedge - share of current year gain/(loss) in respect of joint venture	183	(771)
- related deferred tax	(51)	216
Other comprehensive income/(loss) for the year, net of tax	132	(555)
Total comprehensive (loss)/income for the year	(51)	118
Attributable to equity shareholders of Tolent Plc	(51)	118

The statement of group accounting policies and notes 1 to 24 form part of these consolidated financial statements

TOLENT PLC

Consolidated statement of financial position as at 31st December 2009

	Note	2009	2008	2007
		£'000	£'000	£'000
Assets				
Non-Current Assets				
Property, plant and equipment	7	4,333	4,637	4,356
Investment properties	7	5,055	5,468	6,755
Investments in joint ventures and associates	8	440	333	877
Trade and other receivables	11	10	10	1,169
		9,838	10,448	13,157
Current Assets				
Amounts recoverable on contracts		5,660	6,406	10,323
Inventory	10	12,074	12,002	0
Trade and other receivables	11	12,094	13,766	25,284
Cash and cash equivalents	20	6,087	12,887	20,188
		35,915	45,061	55,795
Total Assets		45,753	55,509	68,952
Liabilities				
Non-current liabilities				
Trade and other payables	15	121	226	0
Provisions	12	0	100	840
Borrowings	16	2,701	2,835	0
Deferred tax liabilities	13	585	620	822
		3,407	3,781	1,662
Current liabilities				
Trade and other payables	14	29,507	39,530	53,170
Provisions	12	1,052	114	0
Borrowings	16	186	150	0
Current tax payable		111	393	889
		30,856	40,187	54,059
Total liabilities		34,263	43,968	55,721
Net Assets		11,490	11,541	13,231
Equity				
Share capital	18	1,283	1,283	1,283
Other reserve	19	(256)	(256)	(256)
Cash flow hedge reserve	19	(423)	(555)	0
Profit and loss account	19	10,886	11,069	12,204
Total Equity		11,490	11,541	13,231

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

J G WOOD Chief Executive

A CLARK Financial Director

The statement of group accounting policies and notes 1 to 24 form part of these consolidated financial statements

Company Number 3819314

TOLENT PLC

Consolidated statement of changes in equity for the year ended 31st December 2009

	Share Capital	Other Reserve	Cash flow hedge	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000	£'000
At 1st January 2008	1,283	(256)	0	12,204	13,231
Equity dividends paid	0	0	0	(1,808)	(1,808)
Transactions wth owners	0	0	0	(1,808)	(1,808)
Profit after taxation for the year	0	0	0	673	673
Other comprehensive income					
Cash flow hedge - share of current year loss in respect of joint venture	0	0	(771)	0	(771)
- related deferred tax	0	0	216	0	216
Total comprehensive income and expense for the year	0	0	(555)	673	118
At 31st December 2008	1,283	(256)	(555)	11,069	11,541
At 1st January 2009	1,283	(256)	(555)	11,069	11,541
Equity dividends paid	0	0	0	0	0
Transactions wth owners	0	0	0	0	0
Loss for the year	0	0	0	(183)	(183)
Other comprehensive income					
Cash flow hedge - share of current year gain in respect of joint venture	0	0	183	0	183
- related deferred tax	0	0	(51)	0	(51)
Total recognised income and expense for the period	0	0	132	(183)	(51)
At 31st December 2009	1,283	(256)	(423)	10,886	11,490

The statement of group accounting policies and notes 1 to 24 form part of these consolidated financial statements

TOLENT PLC

Consolidated statement of cash flows for the year ended 31st December 2009

	2009	2008
	£'000	£'000
Cash flows from operating activities		
(Loss)/profit after taxation	(183)	673
Depreciation on property, plant and equipment	371	348
Valuation decrease in investment properties	523	1,287
Valuation increase in investment properties	(110)	0
Taxation expense recognised in income statement	241	626
Finance income and cost	86	(560)
Decrease in trade and other receivables	1,672	7,846
Decrease in amounts recoverable on contracts	746	3,917
(Increase) in inventory	(72)	(1,299)
(Decrease) in trade and other payables	(10,036)	(14,065)
Movement in provisions	838	(626)
Share of loss/(profit) after tax from joint ventures and associates	30	(11)
Cash (used in) from operations	(5,894)	(1,864)
Finance cost paid	(134)	(104)
Tax paid	(558)	(1,324)
Net cash used in operating activities	(6,586)	(3,292)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29)	(263)
Increase in investment in joint ventures and associates	(5)	0
Cash on acquisition	0	329
Finance income received	48	664
Net cash used in investing activities	14	730
Cash flows from financing activities		
Dividends paid	0	(1,808)
Hire purchase financing - capital repayment	(130)	(18)
Repayment of borrowings	(98)	(2,913)
Net cash used in financing activities	(228)	(4,739)
Net increase in cash and cash equivalents	(6,800)	(7,301)
Cash and cash equivalents at beginning of period	12,887	20,188
Cash and cash equivalents at end of period	6,087	12,887

The statement of group accounting policies and notes 1 to 24 form part of these consolidated financial statements

Basis of preparation

These consolidated financial statements of Tolent PLC are for the year ended 31 December 2009 These consolidated financial statements have been prepared in accordance with the accounting policies set out below which are based on IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2009

The group have adopted IAS 1 Presentation of financial statements (Revised 2007) in the year The group has elected to present the 'statement of comprehensive income' in two statements the 'Income statement' and a 'statement of comprehensive income' Two comparative periods are also presented for the statement of financial position when the group (i) applies an accounting policy retrospectively, (ii) makes a retrospective restatement of items in its financial statements, or (iii) reclassifies items in the financial statements

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities at fair value

The preparation of financial statements requires the use of certain critical accounting estimates It also requires management to exercise judgement in the process of applying the Group's accounting policies

Judgements

Construction contract revenue

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date In this process management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work Further information on the Group's accounting policy for construction contracts is provided in note f

Critical accounting estimates

One area of critical accounting estimate is the carrying value of the investment in Coolmore Estates Limited, the associate company whose principal activity is the development of land adjacent to the A19 at Cold Heseldon near Seaham The carrying value is based on management's view of the underlying development value of land now that planning permissions has been obtained The land has now been purchased by Coolmore Land Limited, a 100% subsidiary of Tolent Plc who have given an option to Coolmore Estates Limited to purchase the land for their development The land is carried in the accounts at cost including associated legal and tax costs which equates to current value with the purchase being made in December 2009 Management consider the development value of the land to be considerably higher than cost which is reflected by the view of property agents and therefore the carrying value of the investment in Coolmore Estates Limited is also considered appropriate

A second area of critical accounting estimate relates to the outturn of the residential development included within Tolent Homes Limited Of the 179 apartments constructed by Echo Buildings Limited, 134 have now been sold together with the commercial space The remaining 45 apartments were transferred to Tolent Homes Limited and are currently being let on short term tenancies whilst purchasers are sought in the difficult market conditions Management believe, based on independent valuations received, that the remaining apartments can be sold at levels at least equal to what they are currently carried at within inventory with the rental income covering the outgoings on the apartments in the meantime

Tolent's joint venture, Checkhire, is developing land adjacent to junction 46 on the M1, known as Temple Point which has planning permission to develop 166,000 sq ft of office space The first eight units (65,000 sq ft) have now been completed and sold Unit 9 was completed in 2009 (13,000 sq ft) and has been let to the DVLA The sale of this unit is currently being progressed through legals Management consider that the remaining development value of the land and associated infrastructure work is in excess of the current carrying value of the land and the associated investment value in the joint venture

42nd Street (Haymarket Hub) Limited is a 50% joint venture developing a mixed use scheme totalling 46,000 sq ft over the Haymarket Metro Station in the centre of Newcastle in addition to refurbishing the existing station platforms and concourse The construction phase was completed in December 2009 A number of leases have already been entered into for the commercial space with negotiations ongoing for the office space The development is currently valued at construction cost as certified by independent qualified quantity surveyors plus associated development costs Management believe that the development value of the project is in excess of this based on the projected occupation of the scheme

Standards and interpretations in issue not yet effective

The following standards and interpretations have been issued, but are not effective and have not been adopted by the Group

IFRS 9 Financial Instruments (effective 1 January 2013)

IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)

IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)

Amendment to IAS 39 Financial Instruments Recognition and Measurement - Eligible Hedged Items (effective 1 July 2009)

Group Cash-settled Share-based Payment Transactions - Amendment to IFRS 2 (effective 1 January 2010)

Improvements to IFRSs 2009 (various effective dates, earliest of which is 1 July 2009, but mostly 2010)

IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)

IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)

IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)

Prepayments of a Minimum Funding Requirement - Amendments to IFRIC 14 (effective 1 January 2011)

Amendment to IFRS 1 Additional Exemptions for First-time Adopters (effective 1 January 2010)

Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)

IFRS 3 Business Combinations (Revised 2008) will apply to any future business combinations that the Group may undertake once it is in force The Group has no plans to adopt the revised standard in advance of its mandatory implementation date and it is not possible to quantify the effect of the standard on future business combinations until those combinations take place

The other Standards and Interpretations are not expected to have any significant impact on the Group's financial statements

a Basis of Consolidation

The Group's consolidated financial statements incorporate the financial statements of the parent company and all of its subsidiaries Subsidiaries are consolidated from the date on which control transfers to the Group and are included until the date on which the Group ceases to control them Transactions between group companies are eliminated on consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has power to control the financial and operating policies so as to obtain benefits from its activities The Group obtains and exercises control through voting rights

Investments in subsidiary undertakings are accounted for using the purchase method of accounting The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date Goodwill is stated after separating out identifiable intangible assets Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement

(ii) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost Acquired investments in associates are also subject to purchase method accounting However, any goodwill or fair value adjustments attributable to the share in the associate is included in the amount recognised as investment in associates

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves The cumulative post-acquisition movements are adjusted against the carrying value of the investment When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred Amounts reported in the financial statements of associates have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group

(iii) Joint Ventures

Joint ventures are entities over which the Group holds a contractual share of joint control The Group incorporates joint ventures under the equity method of accounting

The Group's share of the profits less losses of joint ventures are included in the Group income statement The Group balance sheet includes the investment in joint ventures at cost plus the Group's share of post acquisition results

b Revenue Recognition

Revenue, in all cases excluding value added tax, represents

- in the case of contracting, see note g below,
- in the case of property development sales, revenue is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the property which is generally when title passes to a buyer, upon completion,
- in the case of rental income, revenue relates to operating lease income which is recognised (net of any incentives given to lessees) on a straight line basis over the lease term

c Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of depreciation and any provisions for impairment

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement

Depreciation is calculated to write off the cost of the assets (other than investment properties) less estimated residual value in equal instalments over their expected useful lives Depreciation is provided at the following rates

Long leasehold properties	4%
Plant and equipment	25% - 50%

Material residual value estimates are updated to current value as required, but at least annually The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

d Impairment testing

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an identifiable useful life, and those intangible assets not yet available for use are tested for impairment at least annually All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist

e Investment Properties

In accordance with IAS40, Investment Property, all of the Group's investment properties are held for long term investment and are included in the balance sheet at their open market values Investment properties are properties held to earn rentals and for capital appreciation No depreciation is provided on these amounts Gains and losses arising either from changes in the asset's fair value or the sale of an investment property is immediately recognised in the income statement as "result from investment property" Rental income from investment property is reported within "revenue" and is recognised as described in note b

f Construction Contracts

Contract revenue reflects the contract activity during the year and is measured at the fair value of consideration received or receivable When the outcome can be assessed reliably, contract revenue and associated costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date The stage of completion of the contract at the balance sheet date is assessed by reference to the value of work remaining as a proportion of the total contract value

Where the outcome of a long term contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred

Variations are only recognised as revenue when they have been agreed with the customer Claims are not recognised until negotiations are at an advanced stage such that it is probable that the customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably

In the case of a fixed price contract, the outcome of a construction contract is deemed to be estimated reliably when all the following conditions are satisfied

- total contract revenue can be measured reliably,
- it is probable that economic benefits associated with the contract will flow to the group,
- both the contract costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably, and
- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates

In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits associated with the contract will flow to the Group, and the contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably

The gross amount due from customers for contract work (amounts recoverable on contracts) is presented as an asset for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings The gross amount due to customers for contract work is presented as a liability for all contracts in progress for which billings exceed costs incurred plus recognised profits (less losses)

Full provision is made for losses on all contracts in the year in which the loss is first foreseen

g Inventory

Inventory relates to completed residential developments which management are actively seeking to sell and land obtained for future development These are stated at the lower of cost and net realisable value

h Taxation

Current tax is the tax currently payable based on taxable profit for the year

Deferred taxation is calculated using the liability method on temporary differences Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets

Deferred tax liabilities are provided in full, with no discounting Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity

The tax charge on underlying business performance is calculated by reference to the estimated effective rate for the full year Tax on disposals and other exceptional items is based on the expected tax impact of each item

i Employee Benefits

The Group operates a defined contribution pension scheme

Pension costs for the defined contribution scheme represents the amount of contributions payable in respect of the accounting period

j Leases

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee A corresponding amount is recognised as a finance leasing liability Leases of land and buildings are split into land and buildings elements according to the relative fair values of the leasehold interests at the /date the asset is initially recognised/ date of entering into the lease agreement

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term Lease incentives are spread over the term of the lease

Where the Group is the lessor, assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term

k Financial Assets

Financial assets are divided into the following categories loans and receivables and available-for-sale financial assets Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument Financial assets are recognised on initial recognition at fair value plus transaction costs

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market Trade receivables are classified as loans and receivables Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment Any change in their value through impairment or reversal of impairment is recognised in the income statement

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets All financial assets within this category are measured subsequently at fair value, with changes in value recognised in equity, through the statement of changes in equity Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired

In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement Impairment losses recognised previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement

An assessment for impairment is undertaken at least at each balance sheet date

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset

l Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value, all transaction costs are recognised immediately in the income statement All other financial liabilities are recorded initially at fair value, net of direct issue costs and then are measured subsequently at amortised cost using the effective interest method

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires

m Derivative financial instruments

A specific accounting treatment is required for derivatives designed as hedging instruments in cash flow hedge relationships To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness All other derivative financial instruments are accounted for at fair value through profit and loss

For the reporting periods under review, the Group has designated an interest rate swap as a hedging instrument in a cash flow hedge relationship The interest rate swap and the hedged bank loan are included in one of the Group's joint venture companies The arrangement has been entered into to mitigate interest and liquidity risk

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet In the case of those held within joint ventures the amount is included in the carrying amount of the joint venture

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are included within the cash flow hedge reserve in equity Any ineffectiveness in the hedge relationship is recognised immediately in profit and loss

At the time the hedged item affects profit and loss, any gain previously recognised in the Statement of changes in equity is reclassified from equity to profit or loss and presented as a reclassification adjustment within equity However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in the Statement of changes in equity are included in the initial measurement of the hedged item

If a forecast transaction is no longer expected to occur or if the hedging instrument becomes ineffective, any related gain or loss recognised in the Statement of changes in equity is transferred immediately to profit and loss

The interest rate swap has been assessed as fully effective and therefore the Group's share of the change in fair value (less provision for deferred tax) of the instrument in the joint venture is recognised in equity

n Other provisions

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably Timing or amount of the outflow may still be uncertain A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, warranties granted, legal disputes or onerous contracts

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole Long term provisions are discounted to their present values, where the time value of money is material

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset However, this asset may not exceed the amount of the related provision

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of the Group's management

o Borrowing costs

The Group currently incurs borrowing costs in subsidiary companies and within its joint venture companies These borrowing costs are directly attributable to development contracts undertaken by the subsidiaries and joint ventures and as such, during the development phase, are capitalised as part of the construction contract balances within the subsidiaries and joint venture companies Upon completion of the development contract borrowing costs are charged through the income statement

p Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

q 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 Group financial statements in accordance with SIC 12, Consolidation - Special Purpose Entities and IAS 32 - Financial Instruments Presentation 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

r Dividends

Dividend distributions payable to equity shareholders are included in "other short term financial liabilities" when the dividends are approved in a general meeting prior to the balance sheet date

s Equity

Equity comprises the following
- "Share capital" represents the nominal value of equity shares
- "Other reserve" represents the purchase cost of shares held within the Employee Share Ownership Plan (ESOP)
- "Profit and loss reserve" represents retained profits

- "Cash flow hedge" represents fair value adjustments in respect of derivatives See note n for full details

1. Profit before taxation

All of the Group's revenue and profits originate from the United Kingdom

Profit before taxation is stated after

	2009	2008
	£'000	£'000
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11	11
Fees payable to the Company's auditor and its associates for other services		
The audit of the Company's subsidiaries, pursuant to legislation	40	40
Other Services pursuant to legislation	10	7
Tax Services	6	8
	67	66
Depreciation	371	348
Operating lease charges		
hire of plant and machinery	2,480	4,458
other operating leases	492	655

2 Directors and employees

Staff costs during the year including key management

	2009	2008
	£'000	£'000
Wages and salaries	16,460	21,542
Social security	1,700	2,260
Pension costs	377	413
	18,537	24,215
Redundancy	896	182
	19,433	24,397

The average number of employees of the Group during the year was 452 (2008 - 624) All of these employees are engaged in construction activities

Key management is considered to be Directors Remuneration in respect of key management was as follows

	2009	2008
	£'000	£'000
Aggregate emoluments	611	673
Company pension contributions to a defined contribution scheme	33	33

During the year two directors (2008 - two directors) participated in a defined contribution pension scheme

The amounts set out above include remuneration in respect of the highest paid director as follows

	2009	2008
	£'000	£'000
Aggregate emoluments	300	300

3. Redundancy and reorganisation costs

As noted in the Chairman statement the Group continued a cost reduction programme throughout the year to ensure that as far as practical the overhead base of the Group is in line with the reduced activity levels currently being experienced The majority of these costs relate to redundancy costs as noted in the Directors and employees note above

4. Finance income and cost

	2009	2008
	£'000	£'000
Finance income on bank balances	48	664
Finance cost on bank loans and hire purchase agreements	(134)	(104)
	(86)	560

5. Taxation

The tax charge represents

	2009	2008
	£'000	£'000
Corporation tax at 28% (2008 - 28 5%)	256	819
Deferred taxation movements	(35)	(202)
Adjustment in respect of prior years	20	9
Tax charge for year	241	626

	2009	2008
	£'000	£'000
Profit before taxation	58	1,299
Share of post tax (loss)/profit in joint ventures and associates	(30)	11
Profit before taxation excluding joint ventures and associates	88	1,288
Profit before taxation excluding joint ventures and associates multiplied by standard rate of corporation tax in the United Kingdom of 28% (2008 - 28 5%)	25	367
Effects of		
expenses not deductible for tax purposes	69	52
depreciation in excess of capital allowances	49	21
marginal rate relief	(1)	(1)
movement on property valuation	115	367
deferred taxation movements	(35)	(202)
ESOP dividend income	(1)	13
adjustments to tax charge in respect of prior years	20	9
Tax charge for year	241	626

6. Dividends

	2009	2008
	£'000	£'000
Final dividend in respect of 2008 of nilp (2007 - 10 5p) per 10p ordinary share	0	1,347
Interim dividend in respect of 2009 of nilp (2008 - 4p) per 10p ordinary share	0	514
Dividends received by ESOP Trust	0	(53)
	0	1,808

7. Property, plant and equipment and Investment Properties

	Investment Properties	Property, plant and equipment		
2009	Long leasehold land and buildings	Long leasehold properties	Plant, equipment and vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st January 2009	5,468	4,682	1,091	5,773
Additions	0	0	67	67
Revaluation in year	(413)	0	0	0
At 31st December 2009	5,055	4,682	1,158	5,840
Depreciation				
At 1st January 2009	0	496	640	1,136
Charge for year	0	199	172	371
At 31st December 2009	0	695	812	1,507
Net book value at 31st December 2009	5,055	3,987	346	4,333
Net book value at 31st December 2008	5,468	4,186	451	4,637
2008				
Cost or valuation				
At 1st January 2008	6,755	4,518	626	5,144
Additions	0	164	465	629
Revaluation in year	(1,287)	0	0	0
At 31st December 2008	5,468	4,682	1,091	5,773
Depreciation				
At 1st January 2008	0	297	491	788
Charge for year	0	199	149	348
At 31st December 2008	0	496	640	1,136
Net book value at 31st December 2008	5,468	4,186	451	4,637
Net book value at 31st December 2007	6,755	4,221	135	4,356

Included within motor vehicles are items subject to hire purchase with a book value of £303,000 (2008 - £349,000) in respect of which depreciation of £82,000 (2008 - £17,000) has been charged in the year

The long leasehold and investment properties were revalued in December 2009 by Gavin Black & Partners, qualified chartered surveyors, on an open market basis The valuer was not an officer or an employee of the Group The directors consider that this valuation continues to reflect the value at the balance sheet date The investment property valuation has been incorporated in the above figures In accordance with the accounting policy the property, plant and equipment (long leasehold properties) remains stated at deemed cost The valuation performed indicated a value for these properties of £4,075,000, an upward movement of £88,000

8. Investments in joint ventures and associates

Share of results and investment in joint ventures and associates

	2009	2009	2008	2008
	£'000	£'000	£'000	£'000
At 31 December 2008		333		877
Share of results for the year	(35)		21	
Share of tax credit/(expense)	5		(10)	
Share of (loss)/profit in joint ventures and associates (net of tax) for the year		(30)		11
Cash flow hedge - share of current year profit/(loss)		183		(771)
- deferred tax in relation to cash flow hedge		(51)		216
Additional investment		5		0
At 31 December 2009		440		333

Group share of joint ventures and associates

At 31 December 2009	2009	2009	2009	2009	2009
	£'000	£'000	£'000	£'000	£'000
		Checkhire	42nd Street (Haymarket Hub)	Coolmore Estates	Total
Current assets		3,022	12,973	502	16,497
Current liabilities		(2,570)	(13,463)	(24)	(16,057)
		452	(490)	478	440
Revenue		0	885	0	885
Expenses		(9)	(901)	(10)	(920)
Result before tax		(9)	(16)	(10)	(35)
Tax		2	4	0	6
Result for the period		(7)	(12)	(10)	(29)
Cash flow hedge - share of current year profit		0	183	0	183
- deferred tax in relation to cash flow hedge		0	(51)	0	(51)
		(7)	120	(10)	103

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

At 31 December 2008	2008	2008	2008	2008	2008
	£'000	£'000	£'000	£'000	£'000
	Echo Buildings	Checkhire	42nd Street (Haymarket Hub)	Coolmore Estates	Total
Current assets	0	2,211	8,483	511	11,205
Non-current liabilities	0	0	0	0	0
Current liabilities	0	(1,752)	(9,097)	(23)	(10,872)
	0	459	(614)	488	333
Revenue	1,285	0	417	0	1,702
Expenses	(1,260)	16	(421)	(16)	(1,681)
Result before tax	25	16	(4)	(16)	21
Tax	(7)	(3)	0	0	(10)
Result for the period	18	13	(4)	(16)	11
Cash flow hedge - share of current year loss	0	0	(771)	0	(771)
- deferred tax in relation to cash flow hedge	0	0	216	0	216
	18	13	(559)	(16)	(544)

At 31 December 2007	2007	2007	2007	2007	2007
	£'000	£'000	£'000	£'000	£'000
	Echo Buildings	Checkhire	42nd Street (Haymarket Hub)	Coolmore Estates	Total
Current assets	6,779	2,498	3,783	526	13,586
Non-current liabilities	0	0	(519)	0	(519)
Current liabilities	(6,797)	(2,051)	(3,319)	(23)	(12,190)
	(18)	447	(55)	503	877
Revenue	10,027	0	0	0	10,027
Expenses	(10,050)	6	(56)	(137)	(10,237)
Result before tax	(23)	6	(56)	(137)	(210)
Tax	7	(1)	0	0	6
Result for the period	(16)	5	(56)	(137)	(204)

The Group has the following joint ventures operating in England

Checkhire Limited
Group participation is 50% in the ordinary shares in a joint venture between T Holdings Limited and Amco Developments Limited The principal activity is the development of land adjacent to junction 46 of the M1, known as Temple Point

42nd Street (Haymarket Hub) Limited
Group participation is 50% in the ordinary shares in a joint venture between Tolent Construction Limited, Closegate Haymarket Hub Limited and 42nd Street Realty Limited The principal activity is the development of the Haymarket Hub in Newcastle, the construction phase of which was completed in December 2009

Interior Tolent Limited
Group participation is 35% in the ordinary shares in a joint arrangement between Tolent Construction Limited and Interior plc The principal activity was the fitting out of a large office building in London which has now been completed

The Group has investments in the following associates operating in England

Coolmore Estates Limited
Group participation is 25% in the ordinary shares The principal activity is the development of land adjacent to the A19 at Cold Hesledon near Seaham The land concerned is now owned by Coolmore Land Limited, a wholly owned subsidiary of Tolent Plc In turn Coolmore Land Limited has granted an option to Coolmore Estates Limited to purchase the land

9. Subsidiaries

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 Homes Limited	Property investment	100	0
Coolmore Land Limited	Property development	100	100

10. Inventory

Inventory relates to completed residential developments which management are actively seeking to sell which are currently let on short term tenancies in addition to the land held within Coolmore Land Limited

11 Trade and other receivables

	2009	2008	2007
	£'000	£'000	£'000
Amounts falling due within one year			
Trade receivables	4,997	7,346	14,875
Other receivables	49	980	457
Amounts owed by joint ventures	5,551	4,678	8,711
Prepayments and accrued income	1,497	762	1,241
	12,094	13,766	25,284
Amounts falling due after more than one year			
Other receivables	10	10	650
Amounts owed by joint ventures	0	0	519
	10	10	1,169

The carrying value of trade receivables is considered a reasonable approximation of fair value

All of the Group's trade and other receivables have been reviewed for indicators of impairment Certain trade receivables were found to be impaired and a provision of £327,000 (2008 £272,000) has been recorded accordingly The impaired trade receivables are due from customers in The Group's construction and property operations business segments that are experiencing financial difficulties

In addition, some of the unimpaired trade receivables are past due as at the reporting date The age of financial assets past due but not impaired is as follows

	2009	2008	2007
	£'000	£'000	£'000
Not more than three months	4,737	7,232	14,320
More than three months but not more than six months	259	92	301
More than six months but not more than one year	1	12	248
More than one year	0	10	6
	4,997	7,346	14,875

12. Provisions

	2009	2008	2007
	£'000	£'000	£'000
Other provisions			
Carried forward at 1 January 2009	214	840	350
Additional provisions	1,052	0	490
Amount utilised	(214)	(626)	0
	1,052	214	840
Due within one year	1,052	114	0
Due after more than one year	0	100	840
	1,052	214	840

Other provisions are provided against various legal, insurance and other claims by customers The Group anticipates to be reimbursed £815,000 by third parties in relation to these claims which has been disclosed as other receivables falling due within one year None of the provisions will be discussed here in further detail so as not to seriously prejudice the Group's position in the related disputes

13. Deferred taxation

	Investment Properties	Leasehold Properties	Total
	£'000	£'000	£'000
At 1st January 2007	793	104	897
Released in 2007	(4)	(71)	(75)
At 31st December 2007	789	33	822
At 1st January 2008	789	33	822
Released in 2008	(177)	(25)	(202)
At 31st December 2008	612	8	620
At 1st January 2009	612	8	620
Released in 2009	(27)	(8)	(35)
At 31st December 2009	585	0	585

The release in 2008 of £202,000 represented a reduction in the provision created by the indexation allowable against the properties

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

14. Trade and other payables . Amounts falling due within one year

	2009	2008	2007
	£'000	£'000	£'000
Hire purchase obligations	135	122	0
Trade payables	18,234	29,774	43,971
Payments received on account	8,052	5,271	6,849
Social security and other taxes	612	758	1,082
Other payables	414	281	694
Accruals and deferred income	2,060	3,324	574
	29,507	39,530	53,170

Other payables include £13,000 of non equity shares classed as liabilities (see note 18)

All trade and other payables are short term The carrying values are considered to be a reasonable approximation of fair value

15. Trade and other payables : Amounts falling due after more than one year

	2009	2008	2007
	£'000	£'000	£'000
Hire purchase obligations			
Between one and two years	118	121	0
Between two and five years	3	105	0
	121	226	0

The hire purchase obligations are repayable by instalments at varying rates of interest Amounts owing under hire purchase agreements are secured on the assets to which they relate

16. Borrowings

	2009	2008	2007
	£'000	£'000	£'000
Bank loan	2,887	2,985	0
Aggregate amounts repayable by instalments			
within one year	186	150	0
between one and two years	193	187	0
between two and five years	2,508	2,648	0
	2,887	2,985	0

The bank loan is secured by a first legal charge over a site included within work in progress and is repayable in quarterly instalments of £72,000 with the balance to be repaid in full in July 2013 Interest is payable on the loan at 3% over 3 month bank Libor rate

17. Financial instruments

The Group is primarily engaged in construction activities in the UK

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade receivables and trade payables that arise directly from its operations The main purpose of these financial instruments is to raise finance for the Group's operations

The main risks arising from the Group financial instruments are interest rate, liquidity and credit risk The board reviews and agrees policies for managing each of these risks and they are summarised below together with a sensitivity analysis These policies have remained unchanged from previous years

Interest rate risk

The Group finances its operations through a mixture of retained profits and bank borrowings The Group mixes the duration of its deposits and borrowings to reduce the impact of interest rate fluctuations Subsidiary bank balances and borrowings are managed centrally to keep within agreed facilities across the Group and to reduce interest costs

At 31 December 2009 the Group is exposed to changes in the market interest rates through its bank borrowings within the Group and within the joint ventures An interest rate movement of 0 5% would have an approximate impact of £112,000 per annum based on the borrowings in the Group and joint ventures at 31 December 2009 However as the Group has positive cash balances in its subsidiaries these would counter any movement in the borrowing interest cost

Liquidity risk

The Group seeks to manage financial risk by ensuring liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

Liquidity needs are monitored in various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30-day projection Long term liquidity needs are identified monthly

Short term flexibility is achieved by cash deposits and overdraft facilities Longer term projects are financed by medium and longer term loans depending on the project

As at 31 December 2009, Tolent's liabilities have contractual maturities which are summarised below

31 December 2009	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Hire purchase obligations	74	72	127
Trade payables	18,097	137	0
Payments received on account	8,052	0	0
Other payables	394	20	0
Accruals	1,907	153	0
Borrowings	144	144	2,945
Interest element on borrowings and hire purchase	(45)	(45)	(250)
	28,623	481	2,822

This compares to the maturity of Tolent's liabilities in the previous reporting periods as follows

31 December 2008	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Hire purchase obligations	67	66	238
Trade payables	29,730	44	0
Payments received on account	5,271	0	0
Other payables	261	20	0
Accruals	1,831	1,493	0
Borrowings	144	144	3,180
Interest element on borrowings and hire purchase	(91)	(58)	(357)
	37,213	1,709	3,061

31 December 2007	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Trade payables	43,592	379	0
Payments received on account	6,849	0	0
Other payables	681	13	0
Accruals	574	0	0
	51,696	392	0

Joint venture liabilities

As at 31 December 2009, Tolent's bank loan liabilities and derivative financial instruments via the joint ventures have contractual maturities which are summarised below

31 December 2009	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Term bank loans	0	1,641	19,600
Derivative financial instrument - interest rate swap	0	0	1,175
	0	1,641	20,775

31 December 2008	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Term bank loans	0	0	11,475
Derivative financial instrument - interest rate swap	0	0	1,542
	0	0	13,017

31 December 2007	Current within 6 months	Current 6 to 12 months	Non-current 1 to 5 years
	£'000	£'000	£'000
Term bank loans	0	0	1,712
Derivative financial instrument - interest rate swap	0	8,329	0
	0	8,329	1,712

The short term bank loan of £1,641,000 relates to the financing of the construction of a unit at Temple Point in Checkhire Limited The maximum facility on this loan is £1,992,000 The long term bank loan of £19,600,000 at 31 December 2009 (£11,475,000 at 31 December 2008) relates to the financing of the construction of the Haymarket development in 42nd Street (Haymarket Hub) Limited This is the total facility The fair value of the interest rate swap is based on a market valuation The derivative has been assessed as fully effective and therefore hedge accounting has been adopted The Group's share of the fair value of the interest rate swap (after adjusting for deferred tax) is £423,000 (2008 - £555,000)

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date

	2009	2008	2007
	£'000	£'000	£'000
Trade and other receivables (excluding prepayments and accrued income)	10,607	13,014	25,212
Cash and cash equivalents	6,087	12,887	20,188
	16,694	25,901	45,400

In order to manage the credit risk the directors consider exposure on a customer by customer basis for significant contracts Customer and other counterparties defaults are monitored and incorporated into the Group's credit risk controls Where available, external credit ratings and/or reports on customers and other counterparties are obtained and used

Tolent's management considers that all the above financial assets that are not impaired of each of the reporting dates under review are of good credit quality, including those that are past due

In respect of trade and other receivables, Tolent is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics Two external customers represented 18 9% and 12 2% of total trade for the year with no other single external customer representing more than 7 2% of total trade 12 8% of total trade was with Tolent's joint ventures Two customers represented 15 5% and 15 1% of trade receivables at 31 December 2009, both of which have been received in full after the year end, with each of the remaining customers all below 9 2% individually The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings

Financial Instruments measured at fair value

The Group adopted the amendments to IFRS 7 Improving Disclosures about Financial Instruments effective from 1 January 2009 These amendments require the Group to present certain information about financial instruments measured at fair value in the statement of financial position specifically the fair value hierarchy The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair values of the financial assets and liabilities The fair value hierarchy has the following levels, Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities, Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i e as prices) or indirectly (i e derived from prices) and Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The only assets or liabilities measured at fair value in the statement of financial position is the interest rate swap derivative financial instrument which is held in one of the Group's Joint Venture companies The fair value of this item is based on quoted valuation and is therefore included within Level 1 The Group's share of the fair value reduction of the interest rate swap (after adjusting for deferred tax) is £423,000

Summary of financial assets and liabilities by category

	2009	2008	2007
	£'000	£'000	£'000
Non current assets			
Loans and receivables	10	10	1,169
	10	10	1,169
Current assets			
Trade and other receivables (excluding prepayments and accrued income)	10,597	13,004	24,043
Cash and cash equivalents	6,087	12,887	20,188
Loans and receivables	16,684	25,891	44,231
Non current liabilities			
Bank Loans	2,701	2,835	0
	2,701	2,835	0
Current liabilities			
Trade payables	18,234	29,774	43,971
Payments received on account	8,052	5,271	6,849
Other payables	414	281	694
Bank loans	186	150	0
Accruals	2,060	3,324	574
Other financial liabilities	28,946	38,800	52,088
Net financial assets	(14,953)	(15,734)	(6,688)
Non financial assets and liabilities			
Property, plant and equipment	4,333	4,637	4,356
Investment properties	5,055	5,468	6,755
Investments in joint ventures and associates	440	333	877
Hire Purchase obligations	(256)	(348)	0
Prepayments and accrued income	1,497	762	1,241
Provisions	(1,052)	(214)	(840)
Deferred tax liabilities	(585)	(620)	(822)
Amounts recoverable on contracts	5,660	6,406	10,323
Inventory	12,074	12,002	0
Social security and other taxes	(612)	(758)	(1,082)
Current tax payable	(111)	(393)	(889)
Non financial assets	26,443	27,275	19,919
Total Equity	11,490	11,541	13,231

Capital management policies and procedures

Tolent's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk

The Group monitors capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented on the face of the balance sheet Tolent manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt

18. Share capital

	2009		2008	
	Number of shares	£'000	Number of shares	£'000
Equity				
Alloted and fully paid ordinary shares of 10p each	12,832,626	1,283	12,832,626	1,283
Shares recognised as a liability				
Alloted cumulative redeemable preference shares of £1 each (paid up as to one quarter)	50,000	13	50,000	13

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 IAS 32 - Financial Instruments Presentation, the preference shares have been re-classified as financial liabilities and included in other payables in note 14

19. Reserves

	Other reserve ESOP	Cash flow hedge	Profit and loss account
	£'000	£'000	£'000
At 1st January 2009	(256)	(555)	11,069
Profit for the year	0	0	(183)
Cash flow hedge adjustment	0	132	0
At 31st December 2009	(256)	(423)	10,886

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 December 2009 the Trust held 365,000 (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 December 2009 was £128,000 (2008 - £120,000)

20. Analysis of changes in cash and cash equivalents

	At 1st January 2009	Cashflow 2009	At 31st December 2009
	£'000	£'000	£'000
Cash at bank			
Liquid resources - short term deposits	4,300	(4,300)	0
Other cash at bank and in hand	8,587	(2,500)	6,087
	12,887	(6,800)	6,087

Included in liquid resources - short term deposits as at 1st January 2009 were deposits of £4 3m which had been charged as security for the performance of a certain contract entered into by a Group undertaking in the ordinary course of business Restrictions imposed on these funds prohibited the use of these funds by Tolent in their general business until the conditions for which the guarantees were given were satisfied This charge was released on 30th March 2009

21. Operating lease obligations

Total commitments to operating lease payments are as follows

	Land & buildings	Other
	£'000	£'000
In respect of leases expiring	2009	
within one year	0	72
between one and five years	0	253
in more than five years	486	0
	486	325
	2008	
within one year	2	63
between one and five years	0	645
in more than five years	612	0
	614	708
	2007	
within one year	9	122
between one and five years	22	731
in more than five years	648	0
	679	853

22. Pension commitments

The Group operates a defined contribution pension scheme for certain employees and directors The total cost of pensions to the Group for the year was £377,000 (2008 - £413,000)

23. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note

Turnover amounting to £11,170,000 (2008 - £9,554,000) at normal market rates was carried out between the Group's subsidiaries and the Group's joint ventures At 31 December 2009 joint venture balances included within trade and other receivables amounted to £5,576,000 (2008 - £4,678,000) of which £nil (2008 - £nil) was noted as amounts falling due after more than one year

The Group has two common directors with Billington Holdings Plc, Messrs P K Hems and M R Speakman The Group has undertaken normal arms length trading activities with related undertakings of Billington Holdings Plc throughout the year

Turnover amounting to £nil (2008 - £330,000) at normal market rates is in respect of Billington Holdings Plc related undertakings At 31st December 2009 the Billington Holdings Plc related undertakings balance included within trade receivables amounted to £nil (2008 - £10,000), repayable under normal trade terms

Billington Holdings Plc related undertakings had turnover of £nil (2008 - £226,000) in respect of normal trade services and goods during the year with the Group

24. Post balance sheet event

On 16th February 2010 the trading of ordinary shares on the AIM market was cancelled Further details are presented in the Report of the Directors

TOLENT PLC

Parent company balance sheet as at 31st December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	4	2,000	2,000
Current assets			
Debtors	5	37	6
Cash at bank and in hand		298	4,514
		335	4,520
Creditors: amounts falling due within one year	6	(93)	(4,400)
Net current assets		242	120
		2,242	2,120
Capital and reserves			
Called up share capital	7	1,283	1,283
Capital reserve	8	528	528
Other reserve	8	(256)	(256)
Profit and loss account	8	687	565
Shareholders' funds		2,242	2,120

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

J G WOOD Chief Executive

A D CLARK Financial Director

The statement of parent company accounting policies and notes 1 to 11 form part of the parent company financial statements

Company number 3819314

Statement of parent company accounting policies

The Company's financial statements have been prepared under UK GAAP rather than IFRS which has been adopted for the Group reporting The Company's financial statements 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 year

(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) Investments in subsidiary undertakings

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

(d) 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

(e) Financial instruments

The Company uses financial instruments comprising borrowings, cash resources and various items such as trade debtors, trade creditors etc that arise from its operations The main purpose of these financial instruments is to raise finance for the Group's operations

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates

1. Profit for the financial year

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these Company financial statements

The profit of the Company on ordinary activities after taxation for the year under UK GAAP was £122,000 (2008 - £957,000)

Company audit fees have been disclosed in note 3 of the Group financial statements

2. Directors and Employees

Remuneration in respect of three of the directors of the company have been incurred by a subsidiary company The remuneration of the directors of the company is disclosed at note 4 of the Group financial statements

The average number of employees of the company during the year was 5 (2008 - 5)

3. Dividends

	2009	2008
	£'000	£'000
Final dividend in respect of 2008 of nilp (2007 - 10 5p) per 10p ordinary share	0	1,347
Interim dividend in respect of 2009 of nilp (2008 - 4p) per 10p ordinary share	0	514
Dividends received by ESOP Trust	0	(53)
	0	1,808

4. Investments

	2009	2008
	£'000	£'000
Shares in subsidiary undertakings	2,000	2,000

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
Coolmore Land Limited	Property development	100	100

5. Debtors

	2009	2008
	£'000	£'000
Other debtors	7	5
Amounts owed to group undertakings	0	1
Current taxation	30	0
	37	6

6. Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	24	15
Other creditors	31	33
Dividends payable	8	7
Current taxation	0	12
Amounts owed to group undertakings	30	4,333
	93	4,400

Other creditors include £13,000 of non equity shares classed as liabilities and dividends payable relate to preference share dividends (see note 7)

7 Share capital

	2009		2008	
	Number of shares	£'000	Number of shares	£'000
Equity				
Allotted and fully paid				
Ordinary shares of 10p each	12,832,626	1,283	12,832,626	1,283
Shares recognised as a liability				
Allotted				
Cumulative redeemable preference shares of £1 each (paid up as to one quarter)	50,000	13	50,000	13

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 6

8. Reserves

	Capital reserve	Other reserve - ESOP	Profit and loss account
	£'000	£'000	£'000
At 1st January 2009	528	(256)	565
Profit for the year	0	0	122
At 31st December 2009	528	(256)	687

Other reserves

The Capital reserve relates to a merger reserve which arose on the issue of shares in respect of the Group's interest in the subsidiary undertakings demerged from Amco Corporation plc in 1999

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 December 2009 the Trust held 365,000 (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 December 2009 was £128,000 (2008 - £120,000)

9. Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for financial year	122	936
Equity dividends paid	0	(1,808)
Net increase/(decrease) in shareholders' funds	122	(872)
Opening shareholders' funds	2,120	2,992
Closing shareholders' funds	2,242	2,120

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 December 2009 this amounted to £nil (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 two common directors with Billington Holdings Plc, Messrs P K Hems and M R Speakman The Company has undertaken normal arms length trading activities with related undertakings of Billington Holdings Plc throughout the year

Billington Holdings Plc related undertakings had turnover of £nil (2008 - £9,000) in respect of normal trade services and goods during the year with the Company