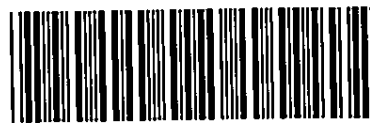


**REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**  
**FOR**  
**TONEKEY LIMITED**

TUESDAY



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**for the year ended 31 December 2008**

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**TONEKEY LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2008**

<b>DIRECTOR</b>	Mr B W Ritchie
<b>SECRETARY</b>	Mr J S D A Rust
<b>REGISTERED OFFICE</b>	19-20 Bourne Court Southend Road Woodford Green Essex IG8 8HD
<b>REGISTERED NUMBER</b>	05075803
<b>AUDITORS</b>	Deloitte LLP Chartered Accountants and Registered Auditors London, UK

**REPORT OF THE DIRECTOR**  
**for the year ended 31 December 2008**

The director presents his report with the financial statements of the company for the year ended 31 December 2008

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property trading and development

**REVIEW OF BUSINESS**

The current economic conditions have created a number of uncertainties in the market in which the company operates. The director considers the results for the period to be satisfactory.

**DIRECTOR**

Mr B W Ritchie held office during the whole of the period from 1 January 2008 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
  - make judgements and estimates that are reasonable and prudent,
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that

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

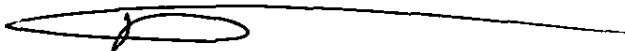
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

**AUDITORS**

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD.**



Mr B W Ritchie - Director

Date 12 - APR - 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**TONEKEY LIMITED**

We have audited the financial statements of Tonekey Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 director and auditors**

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

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

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

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

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

**Basis of audit opinion**

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

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

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Director is consistent with the financial statements.

*Deloitte LLP*

Deloitte LLP  
Chartered Accountants and  
Registered Auditors  
London, UK

Date 12 / 4 / 10

**TONEKEY LIMITED (REGISTERED NUMBER 05075803)**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>		-	-
Administrative expenses		<u>(28,603)</u>	<u>(23,052)</u>
		(28,603)	(23,052)
Other operating income		<u>40,129</u>	<u>40,852</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>11,526</b>	<b>17,800</b>
Interest receivable and similar income		<u>27</u>	<u>964</u>
		11,553	18,764
Interest payable and similar charges		<u>(35,445)</u>	<u>(37,184)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(23,892)</b>	<b>(18,420)</b>
Tax on loss on ordinary activities	<b>3</b>	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>(23,892)</u></b>	<b><u>(18,420)</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

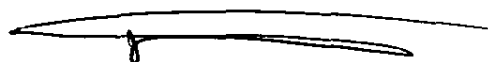
The company has no recognised gains or losses other than the losses for the current year or previous year

**TONEKEY LIMITED (REGISTERED NUMBER 05075803)**

**BALANCE SHEET**  
**31 December 2008**

	Notes	2008 £	2007 £
<b>CURRENT ASSETS</b>			
Stocks	4	572,629	568,800
Debtors	5	1,447	1,146
Cash at bank		<u>4,197</u>	<u>14,491</u>
		578,273	584,437
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>(7,341)</u>	<u>(7,642)</u>
<b>NET CURRENT ASSETS</b>		<u>570,932</u>	<u>576,795</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		570,932	576,795
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	<u>(587,226)</u>	<u>(569,197)</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(16,294)</u>	<u>7,598</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Share premium	10	55,195	55,195
Profit and loss account	10	<u>(71,491)</u>	<u>(47,599)</u>
<b>SHAREHOLDERS' FUNDS</b>	13	<u>(16,294)</u>	<u>7,598</u>

The financial statements were approved by the director on 12 - APR - 2010 and were signed by



Mr B W Ritchie - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes the company will be able to meet its liabilities as they fall due, for the foreseeable future.

The current economic conditions have created a number of uncertainties in the market in which the company operates, in particular in respect of asset valuations.

The company is party to a cross guarantee over debt drawn across the Pureskill group secured on the company's assets. The group financing arrangements include valuation covenants amongst other requirements.

The director has acknowledged the latest FRC guidance on going concern during the current economic conditions. The group has prepared forecasts (including those of the company), taking into account reasonably possible changes, which have been reviewed by the director, based on estimates and judgements about the economic environment in which the group operates. In addition the parent company Pureskill Limited has confirmed that it will provide financial support for the company to meet its liabilities for the foreseeable future.

After making enquiries, the director has formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

**Financial Reporting Standard Number 1 (revised)**

Under the provisions of Financial Reporting Standard No. 1 (revised), the company has not prepared a cash flow statement because its ultimate parent undertaking, Pureskill Limited, which is incorporated in Great Britain, has prepared consolidated financial statements which include a cash flow statement incorporating the cash flows of the company.

**Stocks**

Stock is stated at the lower of cost and net realisable value.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Taxation**

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

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and VAT.

Revenue comprises income in relation to the sale of properties and is recognised on the point of completion.

**2 OPERATING PROFIT**

The operating profit is stated after charging

	2008 £	2007 £
Fees payable to the company's auditors for the audit of the company's annual accounts	571	-
Director's emoluments and other benefits etc	<u>-</u>	<u>-</u>

The director is an employee of another company within the group and is not paid for his services as a director of this company. The company had no employees in the current or previous year.

Fees payable to the company's auditors for the audit of the company's accounts for the previous year of £1,047 has been borne by another group company.

**3 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2008**

**3 TAXATION - continued**

**Factors affecting the tax charge**

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

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(23,892)</u>	<u>(18,420)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	(6,690)	(5,526)
Effects of Expenses not deductible for tax purposes	-	234
Movement/utilisation of tax losses	<u>6,690</u>	<u>5,292</u>
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

A deferred tax asset of £19,295 (2007 £12,605) relating to unrelieved tax losses at the balance sheet date has not been recognised on the basis there is no certainty that there will be future taxable profits against which these can be offset

**4 STOCKS**

	2008 £	2007 £
Stock of properties	<u>572,629</u>	<u>568,800</u>

**5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade debtors	1,253	-
Other debtors	<u>194</u>	<u>1,146</u>
	<u>1,447</u>	<u>1,146</u>

**6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade creditors	2,302	-
Other creditors	<u>5,039</u>	<u>7,642</u>
	<u>7,341</u>	<u>7,642</u>

**7 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Amounts owed to parent	<u>587,226</u>	<u>569,197</u>

**8 SECURED DEBTS**

The following secured debts are included within creditors

	2008 £	2007 £
Group undertakings	<u>587,226</u>	<u>569,197</u>

The borrowings from Pureskill Limited are secured by a fixed and floating charge over the company's assets and are repayable on 13 December 2011

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2008**

**9 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	2008 £	2007 £
9,996,824	Ordinary	0 01p	1,000	1,000
3,176	Ordinary A	0 01p	<u>1</u>	<u>1</u>
			<u>1,001</u>	<u>1,001</u>

Allotted, issued and fully paid Number	Class	Nominal value	2008 £	2007 £
10,000	Ordinary	0 01p	1	1
3 176	Ordinary A	0 01p	<u>1</u>	<u>1</u>
			<u>2</u>	<u>2</u>

**10 RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 January 2008	(47,599)	55,195	7,596
Deficit for the year	<u>(23,892)</u>		<u>(23,892)</u>
At 31 December 2008	<u>(71,491)</u>	<u>55,195</u>	<u>(16,296)</u>

**11 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption within Financial Reporting Standard Number 8 in relation to the disclosure of transactions with other group companies

During the year the company paid management charges of £2,818 (2007 £2,803) to Residential Land Management Limited, a company in which Mr B W Ritchie is also a director

**12 ULTIMATE CONTROLLING PARTY**

The company was controlled by Pureskill Limited by virtue of its ownership of the entire issued share capital

The smallest and largest group in which the results of the company are consolidated is Pureskill Limited whose accounts can be obtained from 19-20 Bourne Court, Southend Road, Woodford Green, Essex IG8 8HD

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Loss for the financial year	(23,892)	(18,420)
Proceeds on share issue	<u>-</u>	<u>55,196</u>
Net (reduction)/addition to shareholders' funds	(23,892)	36,776
Opening shareholders' funds	<u>7,598</u>	<u>(29,178)</u>
Closing shareholders' funds	<u>(16,294)</u>	<u>7,598</u>