

**ECHO BUILDINGS LIMITED**

5154979

**Report and Financial Statements  
For the year ended  
31st December 2008**

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# **ECHO BUILDINGS LIMITED**

Annual report and financial statements for the year ended 31st December 2008

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# **ECHO BUILDINGS LIMITED**

Directors, Secretary and Registered Office

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## **Directors**

J. G. Wood

T. Phillipson

## **Secretary**

A.D. Clark

## **Registered Office**

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

Registered in England : Company Number - 5154979

# **ECHO BUILDINGS LIMITED**

Report of the directors for the year ended 31st December 2008

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The directors present their report together with the audited financial statements for the year ended 31st December 2008.

## **1. Principal activities and business review**

The company is principally engaged in property development.

## **2. Results**

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

## **3. Directors**

The directors in office at the end of the year were Messrs. J.G. Wood and T. Phillipson both of whom served throughout the year. Messrs. C. J. Watson and M. Orr resigned on 19th March 2008.

Messrs. J.G. Wood and T. Phillipson are also directors of the ultimate parent company and their interests in the shares of the ultimate parent company are disclosed in that company's financial statements.

## **4. Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that year. In preparing the financial statements the directors are required to select suitable accounting policies and apply them consistently, to make judgments and estimates that are reasonable and prudent, to state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for keeping proper 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 1985. They are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company and hence for preventing and detecting fraud and other irregularities. In so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **5. Auditors**

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

**BY ORDER OF THE BOARD**



A.D. Clark  
Secretary  
16th April 2009

# **ECHO BUILDINGS LIMITED**

## **Report of the independent auditors**

To the members of Echo Buildings Limited

We have audited the financial statements of Echo Buildings Limited for the year ended 31st December 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 directors' report 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 directors' remuneration and other transactions is not disclosed.

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

### **Basis of 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31st December 2008 and of the company's 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 directors' report is consistent with the financial statements.



GRANT THORNTON UK LLP

Registered Auditors

Chartered Accountants

Sheffield

16th April 2009

## **ECHO BUILDINGS LIMITED**

Profit and loss account for the year ended 31st December 2008

	Note	<u>2008</u>	<u>2007</u>
		£	£
Turnover	1	6,130,200	20,054,924
Decrease in work in progress		<u>(4,326,610)</u>	<u>(13,275,693)</u>
		1,803,590	6,779,231
Other operating charges		<u>(1,719,635)</u>	<u>(6,825,673)</u>
Operating result		83,955	(46,442)
Net interest	2	<u>(98,123)</u>	<u>0</u>
Loss on ordinary activities before taxation	1	(14,168)	(46,442)
Tax on loss on ordinary activities	3	<u>4,038</u>	<u>13,875</u>
Retained loss charged to reserves	7	<u><u>(10,130)</u></u>	<u><u>(32,567)</u></u>

All the above transactions relate to continuing activities.

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

The accounting policies and notes 1 to 9 form part of these financial statements.

# **ECHO BUILDINGS LIMITED**

Balance sheet at 31st December 2008

	Note	<u>2008</u>	<u>2007</u>
		£	£
Current assets			
Work in progress		8,683,715	13,010,325
Debtors	4	23,526	25,987
Cash at bank and in hand		<u>13,141</u>	<u>529,904</u>
		8,720,382	13,566,216
Creditors: amounts falling due within one year			
	5	<u>(8,766,069)</u>	<u>(13,601,773)</u>
		<u>(45,687)</u>	<u>(35,557)</u>
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account	7	<u>(45,689)</u>	<u>(35,559)</u>
Shareholders' funds	8	<u>(45,687)</u>	<u>(35,557)</u>

The financial statements were approved by the Board of Directors on 16th April 2009.



J. G. WOOD

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T. PHILLIPSON

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Directors

The accounting policies and notes 1 to 9 form part of these financial statements.

## **ECHO BUILDINGS LIMITED**

### Statement of accounting policies

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These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, and under the historical cost convention.

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

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

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

#### **(a) Turnover**

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

#### **(b) Work in progress**

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



## **ECHO BUILDINGS LIMITED**

Notes forming part of the financial statements for the year ended 31st December 2008

### **1. Turnover and result on ordinary activities before taxation**

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

Loss on ordinary activities is stated after:

	<u>2008</u>	<u>2007</u>
	£	£
Auditors' remuneration:		
For the audit of the company	1,675	1,650
Tax Services	325	250
	<u>2,000</u>	<u>1,900</u>

### **2. Net interest**

	<u>2008</u>	<u>2007</u>
	£	£
Payable on bank overdraft and other loans repayable:		
within five years, otherwise than by instalments	<u>98,123</u>	<u>0</u>

### **3. Tax on result on ordinary activities**

The tax credit represents:

	<u>2008</u>	<u>2007</u>
	£	£
Corporation tax at 28.5% (2007 - 30%)	(4,038)	(13,905)
Adjustment in respect of prior years	0	30
Current tax charge for year	<u>(4,038)</u>	<u>(13,875)</u>
Loss on ordinary activities before taxation	(14,168)	(46,442)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28.5% (2007 - 30%)	(4,038)	(13,933)
Effects of:		
expenses not deductible for tax purposes	0	28
adjustments to tax charge in respect of prior years	0	30
Current tax credit for the year	<u>(4,038)</u>	<u>(13,875)</u>

### **4. Debtors**

	<u>2008</u>	<u>2007</u>
	£	£
Other debtors	4,331	10,830
Current taxation	<u>19,195</u>	<u>15,157</u>
	<u>23,526</u>	<u>25,987</u>

## **ECHO BUILDINGS LIMITED**

Notes forming part of the financial statements for the year ended 31st December 2008  
(continued)

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

	<u>2008</u>	<u>2007</u>
	£	£
Trade creditors	98,862	67,414
Other creditors and accruals	34,717	363,110
Bank loan	2,984,533	8,328,626
Amounts owed to related undertakings	<u>5,647,957</u>	<u>4,842,623</u>
	<u>8,766,069</u>	<u>13,601,773</u>

The loan is secured over a site included within work in progress and is repayable on demand. Interest is payable on the loan at 1.5% over bank Libor rate.

### **6. Called up share capital**

	<u>2008</u>	<u>2007</u>
	£	£
Authorised		
A ordinary shares of £1 each	50	50
B ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid -		
A ordinary shares of £1 each	1	1
B ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

### **7. Profit and loss account**

	<u>2008</u>	<u>2007</u>
	£	£
At 1st January 2008	(35,559)	(2,992)
Retained loss for year	<u>(10,130)</u>	<u>(32,567)</u>
At 31st December 2008	<u>(45,689)</u>	<u>(35,559)</u>

## **ECHO BUILDINGS LIMITED**

Notes forming part of the financial statements for the year ended 31st December 2008  
(continued)

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### **8. Reconciliation of movements in shareholders' funds**

	<u>2008</u>	<u>2007</u>
	£	£
Loss for year	<u>(10,130)</u>	<u>(32,567)</u>
Net increase/(decrease) in shareholders' funds	(10,130)	(32,567)
Shareholders' funds at 1st January 2008	<u>(35,557)</u>	<u>(2,990)</u>
Shareholders' funds at 31st December 2008	<u><u>(45,687)</u></u>	<u><u>(35,557)</u></u>

### **9. Ultimate parent undertakings**

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