

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
FOR
FORSET COURT MANAGEMENT LIMITED

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for the year ended 31 December 2009

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FORSET COURT MANAGEMENT LIMITED

COMPANY INFORMATION
for the year ended 31 December 2009

DIRECTOR: Mr B W Ritchie

SECRETARY Mr J S D A Rust

REGISTERED OFFICE 19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

REGISTERED NUMBER: 5473526

AUDITORS. Deloitte LLP
Chartered Accountants and
Statutory Auditors
London, UK

REPORT OF THE DIRECTOR
for the year ended 31 December 2009

The director presents his report with the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of 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 year to be satisfactory. Details of the results of the company can be found in the Profit and Loss account on page four.

DIRECTOR

Mr B W Ritchie held office during the whole of the period from 1 January 2009 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and 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). Under company law the director must not approve the financial statements unless he is satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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

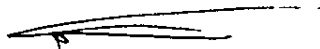
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



Mr B W Ritchie - Director

Date 22-APR-2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FORSET COURT MANAGEMENT LIMITED**

We have audited the financial statements of Forset Court Management Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 opinion we have formed.

Respective responsibilities of director and the auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirement 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 Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of the small companies exemption in preparing the director's report



Mr Richard Muschamp (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditors
London, UK

Date

23/4/10

FORSET COURT MANAGEMENT LIMITED (REGISTERED NUMBER 5473526)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

| | Notes | 2009 £ | 2008 £ |
|---|-------|---------------|-----------------|
| TURNOVER | | - | - |
| Administrative expenses | | <u>9,065</u> | <u>10,243</u> |
| | | (9,065) | (10,243) |
| Other operating income | | <u>54,376</u> | <u>27,025</u> |
| OPERATING PROFIT | 2 | 45,311 | 16,782 |
| Bank interest payable and similar charges | | <u>39,717</u> | <u>33,650</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 5,594 | (16,868) |
| Tax on profit/(loss) on ordinary activities | 3 | - | - |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>5,594</u> | <u>(16,868)</u> |

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 profit for the current year and the loss for the previous year

FORSET COURT MANAGEMENT LIMITED (REGISTERED NUMBER 5473526)

BALANCE SHEET
31 December 2009

| | Notes | 2009 £ | 2008 £ |
|--|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Stock of property | | 673,658 | 673,658 |
| Debtors | 4 | <u>-</u> | <u>23,919</u> |
| | | 673,658 | 697,577 |
| CREDITORS | | | |
| Amounts falling due within one year | 5 | <u>3,913</u> | <u>17,246</u> |
| NET CURRENT ASSETS | | <u>669,745</u> | <u>680,331</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 669,745 | 680,331 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 6 | <u>544,415</u> | <u>560,595</u> |
| NET ASSETS | | <u>125,330</u> | <u>119,736</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 2 | 2 |
| Share premium | 9 | 104,397 | 104,397 |
| Profit and loss account | 9 | <u>20,931</u> | <u>15,337</u> |
| SHAREHOLDERS' FUNDS | 12 | <u>125,330</u> | <u>119,736</u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the director on 22-APR-2010 and were signed by


Mr B W Ritchie - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1 ACCOUNTING POLICIES

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

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 current and previous year

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

Stocks are valued 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

Rental income

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

Revenue

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

| | 2009 £ | 2008 £ |
|---|------------|------------|
| Fees payable to the company's auditors for the audit of the company's annual accounts | <u>901</u> | <u>878</u> |
| Director's remuneration 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

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2009 nor for the year ended 31 December 2008

FORSET COURT MANAGEMENT LIMITED (REGISTERED NUMBER 5473526)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2009

3 TAXATION - continued

Factors affecting the tax charge

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

| | 2009 £ | 2008 £ |
|---|--------------|-----------------|
| Profit/(loss) on ordinary activities before tax | <u>5,594</u> | <u>(16,868)</u> |
| Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%) | 1,566 | (4,723) |
| Effects of tax purposes Movement/utilisation of tax losses | (1,566) | 4,723 |
| | <u>—</u> | <u>—</u> |
| Current tax charge | <u>—</u> | <u>—</u> |

Factors that may affect future tax charges

A deferred tax asset of £3,157 (2008 £4,723) 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 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £ | 2008 £ |
|---------------|-----------|---------------|
| Trade debtors | <u>—</u> | <u>23,919</u> |

5 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £ | 2008 £ |
|------------------------------|--------------|---------------|
| Trade creditors | 3,913 | — |
| Taxation and social security | — | 5,221 |
| Other creditors | <u>—</u> | <u>12,025</u> |
| | <u>3,913</u> | <u>17,246</u> |

6 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2009 £ | 2008 £ |
|------------------------|----------------|----------------|
| Amounts owed to parent | <u>544,415</u> | <u>560,595</u> |

7 SECURED DEBTS

The following secured debts are included within creditors

| | 2009 £ | 2008 £ |
|--------------------|----------------|----------------|
| Group undertakings | <u>544,415</u> | <u>560,595</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

8 CALLED UP SHARE CAPITAL

| Number | Class | Nominal value | 2009 £ | 2008 £ |
|--------|------------|------------------|-----------|-----------|
| 10,000 | Ordinary | 0 01p | 1 | 1 |
| 7,534 | Ordinary A | 0 01p | <u>1</u> | <u>1</u> |
| | | | <u>2</u> | <u>2</u> |

All shares rank pari passu

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2009

9 RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|---------------------|------------------------------------|-----------------------|----------------|
| At 1 January 2009 | 15,337 | 104,397 | 119,734 |
| Profit for the year | <u>5,594</u> | | <u>5,594</u> |
| At 31 December 2009 | <u>20,931</u> | <u>104,397</u> | <u>125,328</u> |

10 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 £1,687 (2008 £1,900) to Residential Land Management Limited, a company in which Mr B W Ritchie is also a director

At the balance sheet date the company owed £Nil (2008 £Nil) to Residential Land Management Limited

11 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 are obtained from 19-20 Bourne Court, Southend Road, Woodford Green, Essex IG8 8HD

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2009 £ | 2008 £ |
|---|----------------|-----------------|
| Profit/(Loss) for the financial year | <u>5,594</u> | <u>(16,868)</u> |
| Net addition/(reduction) to shareholders' funds | 5,594 | (16,868) |
| Opening shareholders' funds | <u>119,736</u> | <u>136,604</u> |
| Closing shareholders' funds | <u>125,330</u> | <u>119,736</u> |

