

2909590

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
CHOLSO LIMITED**



CHOLSO LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2005**

	Page
Company Information	1
Report of the Director	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Trading and Profit and Loss Account	9

CHOLSO LIMITED
COMPANY INFORMATION
for the Year Ended 31 December 2005

DIRECTOR: C E Nicholson

SECRETARY: P C Nicholson

REGISTERED OFFICE: The Bellbourne
103 High Street
Esher
Surrey
KT10 9QE

REGISTERED NUMBER: 2909590 (England and Wales)

ACCOUNTANTS: Body Dubois Limited
Chartered Accountants
The Bellbourne
103 High Street
Esher
Surrey KT10 9QE

CHOLSO LIMITED

**REPORT OF THE DIRECTOR
for the Year Ended 31 December 2005**

The director presents his report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property refurbishment, development and investment.

DIRECTOR

C E Nicholson was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.05	1.1.05
Ordinary shares £1 shares	100	100

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:



C E Nicholson - Director

Date: 16-10-06

CHOLSO LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2005

		<u>31.12.05</u>	<u>31.12.04</u>
	Notes	£	£
TURNOVER		472,500	-
Cost of sales		<u>381,631</u>	<u>-</u>
GROSS PROFIT		90,869	-
Administrative expenses		<u>11,971</u>	<u>20,138</u>
		78,898	(20,138)
Other operating income		<u>17,250</u>	<u>17,746</u>
OPERATING PROFIT/(LOSS)	2	96,148	(2,392)
Interest receivable and similar income		<u>470</u>	<u>190</u>
		96,618	(2,202)
Interest payable and similar charges		<u>10,548</u>	<u>10,479</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		86,070	(12,681)
Tax on profit/(loss) on ordinary activities	3	<u>17,609</u>	<u>(2,315)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		68,461	(10,366)
Retained profit brought forward		<u>358,094</u>	<u>368,460</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£426,555</u></u>	<u><u>£358,094</u></u>

The notes form part of these financial statements

CHOLSO LIMITED

BALANCE SHEET

31 December 2005

		<u>31.12.05</u>	<u>31.12.04</u>
	Notes	£	£
FIXED ASSETS:			
Tangible assets	4	63,939	64,746
CURRENT ASSETS:			
Stocks		-	357,520
Debtors	5	531,429	231,050
Cash at bank		<u>54,764</u>	<u>10,495</u>
		586,193	599,065
CREDITORS: Amounts falling due within one year	6	<u>174,297</u>	<u>254,042</u>
NET CURRENT ASSETS:		<u>411,896</u>	<u>345,023</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		475,835	409,769
CREDITORS: Amounts falling due after more than one year	7	<u>49,180</u>	<u>51,575</u>
		<u>£426,655</u>	<u>£358,194</u>
CAPITAL AND RESERVES:			
Called up share capital	9	100	100
Profit and loss account		<u>426,555</u>	<u>358,094</u>
SHAREHOLDERS' FUNDS:		<u>£426,655</u>	<u>£358,194</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

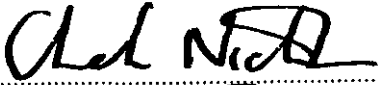
The notes form part of these financial statements

CHOLSO LIMITED

BALANCE SHEET
31 December 2005

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the director on 16-10-06 and were signed by:

A handwritten signature in black ink, appearing to read 'C E Nicholson', written over a dotted line.

C E Nicholson - Director

The notes form part of these financial statements

CHOLSO LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Turnover represents proceeds from sale of properties.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer systems	- 33% on cost
Fixtures and fittings	- 15% on cost
Plant & machinery	- 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Pensions

As from April 1999 the company pays regular amounts into a Regular Contribution Pension Plan.

2. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	31.12.05	31.12.04
	£	£
Depreciation - owned assets	1,027	1,140
Pension costs	<u>3,000</u>	<u>2,750</u>
Director's emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.12.05	31.12.04
	£	£
Current tax:		
UK corporation tax	16,334	(2,315)
(Over)/under provision	<u>1,275</u>	<u>-</u>
in prior year		
Tax on profit/(loss) on ordinary activities	<u>17,609</u>	<u>(2,315)</u>

CHOLSO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2005**

4. TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Computer systems</u>	<u>Fixtures and fittings</u>	<u>Plant & machinery</u>	<u>Totals</u>
	£	£	£	£	£
COST:					
At 1 January 2005	63,487	7,440	1,680	2,431	75,038
Additions	-	-	-	220	220
At 31 December 2005	<u>63,487</u>	<u>7,440</u>	<u>1,680</u>	<u>2,651</u>	<u>75,258</u>
DEPRECIATION:					
At 1 January 2005	-	6,871	1,466	1,955	10,292
Charge for year	-	283	213	531	1,027
At 31 December 2005	-	<u>7,154</u>	<u>1,679</u>	<u>2,486</u>	<u>11,319</u>
NET BOOK VALUE:					
At 31 December 2005	<u>63,487</u>	<u>286</u>	<u>1</u>	<u>165</u>	<u>63,939</u>
At 31 December 2004	<u>63,487</u>	<u>569</u>	<u>214</u>	<u>476</u>	<u>64,746</u>

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

	31.12.05	31.12.04
	£	£
Other debtors	42,918	42,918
Prepayments & accrued income	-	817
Owed by related company	488,511	185,000
Corporation tax recoverable	-	2,315
	<u>531,429</u>	<u>231,050</u>

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

	31.12.05	31.12.04
	£	£
Bank loans and overdrafts	-	84,983
Directors current accounts	3,945	17,741
Other creditors	143,625	58,625
Mortgage	3,618	3,618
Owed to related company	-	85,000
Corporation tax	16,334	-
Accruals & deferred income	<u>6,775</u>	<u>4,075</u>
	<u>174,297</u>	<u>254,042</u>

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

	31.12.05	31.12.04
	£	£
Mortgage	<u>49,180</u>	<u>51,575</u>

CHOLSO LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2005

8. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.05	31.12.04
	£	£
Bank overdrafts	<u>-</u>	<u>84,983</u>

The bankers hold a debenture dated 25 May 1994.

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

10. RELATED PARTY DISCLOSURES

Other creditors include a loan of £50,000 (2004 - £50,000) from J C & D Holdings Limited, a Jersey based trust, in which the director is a discretionary beneficiary. During the period interest charged in the accounts relating to this loan amounted to £3,250 (2004 - £6,640).

The director is a shareholder and director of The Light Space Company Limited and The Chair Company Limited.

At the year end the company had debtors from The Light Space Company Limited and The Chair Company Limited in the amounts of £438,511 (2004 - £185,000) and £50,000 (2004 - £Nil).