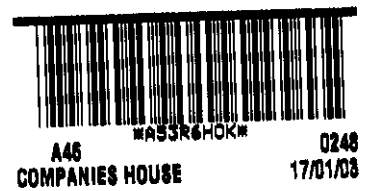


*Company no 290 9590*

**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002  
FOR  
CHOLSO LIMITED**



**CHOLSO LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2002**

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

**CHOLSO LIMITED**  
**COMPANY INFORMATION**  
**for the Year Ended 31 August 2002**

**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 August 2002**

The director presents his report with the financial statements of the company for the year ended 31 August 2002.

**PRINCIPAL ACTIVITY**

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

**DIRECTOR**

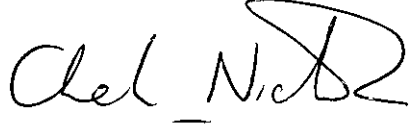
C E Nicholson was the sole director during the year under review.

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

	<b>31.8.02</b>	<b>1.9.01</b>
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

Dated: 10 January 2003

**CHOLSO LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 August 2002

		31.8.02	31.8.01
	Notes	£	£
<b>TURNOVER</b>		155,000	-
Cost of sales		70,889	-
<b>GROSS PROFIT</b>		84,111	-
Administrative expenses		38,710	37,069
		45,401	(37,069)
Other operating income		37,770	19,979
<b>OPERATING PROFIT/(LOSS)</b>	2	83,171	(17,090)
Interest receivable and similar income		23	151
		83,194	(16,939)
Interest payable and similar charges		35,978	26,983
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		47,216	(43,922)
Tax on profit/(loss) on ordinary activities		8,977	(9,262)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		38,239	(34,660)
Retained profit brought forward		98,885	133,545
<b>RETAINED PROFIT CARRIED FORWARD</b>		£137,124	£98,885

The notes form part of these financial statements

**CHOLSO LIMITED**

**BALANCE SHEET**

**31 August 2002**

		31.8.02		31.8.01	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	3		65,903		65,138
Investments	4		50		50
			<u>65,953</u>		<u>65,188</u>
<b>CURRENT ASSETS:</b>					
Stocks		682,938		629,796	
Debtors	5	23,672		11,220	
Cash at bank		8,762		8,676	
		<u>715,372</u>		<u>649,692</u>	
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>383,379</u>		<u>557,637</u>	
<b>NET CURRENT ASSETS:</b>			<u>331,993</u>		<u>92,055</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>397,946</u>		<u>157,243</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7		<u>260,722</u>		<u>58,258</u>
			<u><u>£137,224</u></u>		<u><u>£98,985</u></u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	9		100		100
Profit and loss account			<u>137,124</u>		<u>98,885</u>
<b>SHAREHOLDERS' FUNDS:</b>			<u><u>£137,224</u></u>		<u><u>£98,985</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 August 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2002 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.

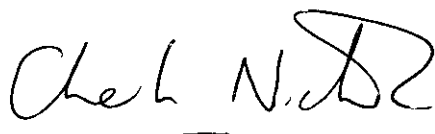
The notes form part of these financial statements

**CHOLSO LIMITED**

**BALANCE SHEET**  
**31 August 2002**

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 June 2002).

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'C E Nicholson', with a horizontal line underneath the name.

C E Nicholson - DIRECTOR

Approved by the Board on 10 January 2003

# CHOLSO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 August 2002

### 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 June 2002).

#### 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 taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

#### Pensions

As from April 1999 the company pays £250 monthly into a Regular Contribution Pension Plan.

### 2. OPERATING PROFIT/(LOSS)

The operating profit (2001 - operating loss) is stated after charging:

	31.8.02	31.8.01
	£	£
Depreciation - owned assets	1,394	879
Loss on disposal of fixed assets	842	-
Pension costs	3,000	3,000
	<u>          </u>	<u>          </u>
Director's emoluments and other benefits etc	-	15,500
	<u>          </u>	<u>          </u>



**CHOLSO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 August 2002

**3. TANGIBLE FIXED ASSETS**

	Freehold property	Computer systems	Fixtures and fittings	Plant & machinery	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 September 2001	63,487	6,591	729	1,885	72,692
Additions	-	-	951	2,150	3,101
Disposals	-	-	-	(1,885)	(1,885)
	<u>63,487</u>	<u>6,591</u>	<u>1,680</u>	<u>2,150</u>	<u>73,908</u>
At 31 August 2002	63,487	6,591	1,680	2,150	73,908
<b>DEPRECIATION:</b>					
At 1 September 2001	-	5,984	627	943	7,554
Charge for year	-	606	251	537	1,394
Eliminated on disposals	-	-	-	(943)	(943)
	<u>-</u>	<u>6,590</u>	<u>878</u>	<u>537</u>	<u>8,005</u>
At 31 August 2002	-	6,590	878	537	8,005
<b>NET BOOK VALUE:</b>					
At 31 August 2002	<u>63,487</u>	<u>1</u>	<u>802</u>	<u>1,613</u>	<u>65,903</u>
At 31 August 2001	<u>63,487</u>	<u>607</u>	<u>102</u>	<u>942</u>	<u>65,138</u>

**4. FIXED ASSET INVESTMENTS**

The fixed asset investments relate to 50% of the issued share capital of Parsons Green Lane Limited, which was incorporated in England on 4 May 1995 as Mink Dock Limited. Its name was changed on 7 June 1995.

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

	31.8.02 £	31.8.01 £
V.A.T.	3,890	-
Prepayments & accrued income	520	1,958
Owed by related company	10,000	-
Corporation tax recoverable	9,262	9,262
	<u>23,672</u>	<u>11,220</u>

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

	31.8.02 £	31.8.01 £
Bank loans and overdrafts	142,301	259,682
Directors current accounts	99,671	151,223
Other creditors	108,625	108,625
Mortgage	16,730	4,667
Social security & other taxes	-	4,590
Taxation	8,977	16,786
Accrued expenses	7,075	12,064
	<u>383,379</u>	<u>557,637</u>

**CHOLSO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 2002**

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

	<b>31.8.02</b>	31.8.01
	£	£
Mortgage	<u><b>260,722</b></u>	<u><b>58,258</b></u>

**8. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>31.8.02</b>	31.8.01
	£	£
Bank overdrafts	<u><b>142,301</b></u>	<u><b>259,682</b></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:	<b>31.8.02</b>	31.8.01
			£	£
100	Ordinary shares	£1	<u><b>100</b></u>	<u><b>100</b></u>

**10. RELATED PARTY DISCLOSURES**

As stated in note 7 of these financial statements, Cholso Limited holds 50% of the issued share capital of Parsons Green Lane Limited. This company did not trade during this or the previous year.

Other creditors relate to a loan from J C & D Holdings Limited, a Jersey based trust, in which the director is a discretionary beneficiary. During the year interest relating to this loan was paid, amounting to £18,106 (2001 - £7,989).

£10,000 owed by related company, shown in debtors, relates to a loan made to Spacecraft Limited, a company in which the director of Cholso Limited is a director and shareholder.