

CHELGATE LIMITED

Company No. 2262305

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2010

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Chelgate

Chelgate Limited

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Chelgate Limited

Company Information

Directors

T Fane-Saunders
N Wood-Dow
M S Lane

Secretary

M S Lane

Registered Office

Number One
Tanner Street
London
SE1 3LE

Auditors

Barnes Roffe LLP
Chartered Accountants and Statutory Auditors
16 - 17 Copperfields, Spital Street
Dartford, Kent
DA1 2DE

Bankers

Natwest Bank
PO Box 192
116 Fenchurch Street
London EC3M 5AN

Solicitors

Davenport Lyons
1 Old Burlington Street
London W1X 2NL

Chelgate Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31 December 2010

Principal Activities and Business Review

The principal activity of the company throughout the year was that of public relations consultants. The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and Dividend

The results of the company for the year are set out on page 5. A dividend of £18,750 was paid on 31 December 2010 (2009 £12,500).

The company has a retained loss of £8,701 (2009 - loss £61,456) which has been transferred to/(from) reserves.

Directors and their interests

The directors who served during the year were as follows:

Terence C Fane-Saunders
Nicholas J Wood-Dow
Mathew S Lane

Statement of directors responsibility

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 those financial statements, the directors are 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 directors are responsible for keeping proper accounting records which 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 2006. They are 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.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- 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 as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Chelgate Limited

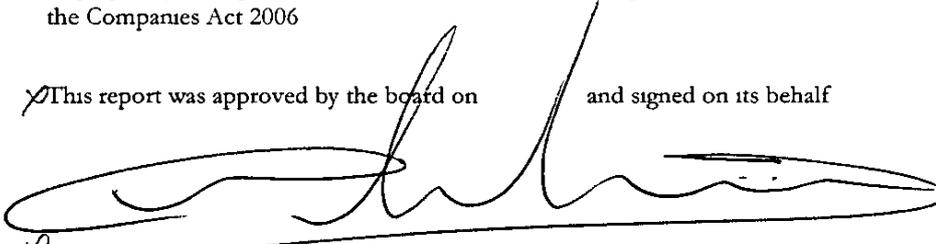
Report of the Directors (continued)

Auditors

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006

In preparing the report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on _____ and signed on its behalf



MS Lane
Secretary

Number One
Tanner Street
London
SE1 3LE

Date

Chelgate Limited

Independent Auditors' Report to the Members of Chelgate Limited

We have audited the financial statements of Chelgate Limited for the year ended 31 December 2010, set out on pages 5 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 an Auditors' 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

As explained more fully in the Statement of directors' responsibilities, the directors are 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 and express an opinion on 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 directors, 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 2010 and of its result 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 requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Director's report 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime.



Ben Bradley (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants &

Statutory Auditors

16 -17 Copperfields

Spital Street

Dartford

Kent

DA1 2DE

Date 23/3/11

Chelgate Limited
Profit and Loss Account
For the year ended 31 December 2010

	Note	2010	2009
		£	£
Turnover	1(c), 2	1,027,016	1,022,380
Cost of Sales		<u>(91,280)</u>	<u>(128,047)</u>
Gross Profit		935,736	894,333
Administration Expenses		<u>(905,228)</u>	<u>(922,579)</u>
Operating Profit	3	30,508	(28,246)
Interest Receivable and Similar Income		521	143
Interest Payable and Similar Charges	6	<u>(20,871)</u>	<u>(20,853)</u>
Profit/(Loss) on Ordinary Activities Before Taxation		10,158	(48,956)
Taxation	7	<u>(109)</u>	-
Profit/(Loss) on Ordinary Activities After Taxation	14	<u><u>10,049</u></u>	<u><u>(48,956)</u></u>

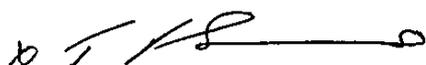
All amounts derive from continuing activities. There are no other recognised gains or losses in the year other than the result for the year.

The notes on pages 7 to 12 form part of these financial statements.

Chelgate Limited
Balance Sheet at 31 December 2010
Registered No. 2262305

	Note	2010		2009	
		£	£	£	£
Fixed Assets					
Tangible assets	9		6,784		4,786
Current Assets					
Debtors	10	269,563		204,346	
Cash at bank and in hand		<u>11,618</u>		<u>111,467</u>	
		281,181		315,813	
Creditors: Amounts Falling Due Within One Year	11		<u>(107,280)</u>		<u>(115,633)</u>
Net Current Assets			<u>173,901</u>		<u>200,180</u>
Total Assets Less Current Liabilities			180,685		204,966
Creditors: Amounts Falling Due After More Than One Year	12		<u>(142,668)</u>		<u>(158,248)</u>
Net Assets			<u><u>38,017</u></u>		<u><u>46,718</u></u>
Capital and Reserves					
Called up share capital - equity interest	8		25,000		25,000
Profit and loss account	14		<u>13,017</u>		<u>21,718</u>
Shareholder's funds	8		<u><u>38,017</u></u>		<u><u>46,718</u></u>

The financial statements were approved by the Board of Directors on _____ and signed on its behalf



T Fane-Saunders
 Director

The notes on pages 7 to 12 form part of these financial statements

Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010

1. Accounting Policies

(a) Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The accounting policies remain unchanged from the previous year.

(b) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Office Equipment	-	25% straight line
Fixtures and Fittings	-	25% straight line

(c) Turnover

Turnover represents sales and expenses plus commissions invoiced by the company during the year, and is exclusive of value added tax.

(d) Deferred 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 substantially enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis, except when discounting has been applied in accordance with other accounting standards.

(e) Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial period. Exchange differences arising from the translation of foreign subsidiaries are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

(f) Operating Lease Rentals

Rentals held under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010 (continued)

1. Accounting Policies (continued)

(g) Pensions

The company makes contributions to certain employees' private pension schemes, the assets of the schemes being held separately from the assets of the company. The pension cost charge represents contributions payable to the schemes.

2 Turnover	2010	2009
	£	£
Geographical Analysis		
United Kingdom	762,947	828,329
Europe	245,693	180,234
United States and Canada	-	5,412
Rest of the World	18,376	8,405
	<u>1,027,016</u>	<u>1,022,380</u>

3 Operating profit	2010	2009
	£	£
The operating profit is stated after charging		
Auditors' remuneration	4,075	4,075
Auditors' remuneration - non-audit	1,720	3,225
Depreciation of owned tangible fixed assets	3,345	3,572
Operating lease rentals		
Plant and machinery	3,570	3,570
Other	116,059	122,068
	<u>116,059</u>	<u>122,068</u>

4 Employee information

The average number of persons employed by the company (including directors) during the year was 11 (2009 11)

	2010	2009
	£	£
Their total remuneration was		
Wages and salaries	352,663	403,450
Social security costs	32,575	40,359
Pension costs	9,000	9,000
	<u>394,238</u>	<u>452,809</u>

Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010 (continued)

5 Directors' Emoluments

The emoluments of the directors of the company were as follows

	2010 £	2009 £
Emoluments (including benefits)	108,137	121,586
Pension contributions	9,000	9,000
	117,137	130,586

During the year, one director (2009 two) was a member of defined contribution pension schemes

6 Interest Payable

	2010 £	2009 £
Bank loans and overdrafts	1	-
Other loans	20,870	20,853
	20,871	20,853

7 Taxation

a) Charge for the year

	2010 £	2009 £
UK Corporation tax on the results for the year at 21% (2009 21%)	109	-
	109	-

b) Factors affecting tax charge for the year

	2010 £	2010 £	2009 £	2009 £
Profit/(Loss) on ordinary activities before tax		10,158		(48,956)
Theoretical tax charge at 21% (2009 21%)		2,133		(10,281)
<i>Effects of</i>				
Expenses not deductible for tax purposes	4,340		4,634	
Depreciation in excess of capital allowances	(721)		151	
Losses carried forward	-		5,496	
Utilisation of brought forward losses	(5,643)		-	
Marginal relief	-		-	
		(2,024)		10,281
Current tax charge/(credit) for the period (note 7(a))		109		-

c) Factors that may affect future tax charges

Trading losses carried forward	4,005	30,804
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Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010 (continued)

8 Shareholders' Funds

	Called up Share Capital £	Profit and Loss Account £	Total £
At 1 January 2009	25,000	83,174	108,174
Retained profit for the financial year	-	(48,956)	(48,956)
Dividends paid	-	(12,500)	(12,500)
At 31 December 2009	<u>25,000</u>	<u>21,718</u>	<u>46,718</u>
Retained profit for the financial year	-	10,049	10,049
Dividends paid	-	(18,750)	(18,750)
At 31 December 2010	<u><u>25,000</u></u>	<u><u>13,017</u></u>	<u><u>38,017</u></u>

The share capital comprises

	2010 £	2009 £
Called up, allotted and fully paid 25,000 ordinary shares of £1 each	<u><u>25,000</u></u>	<u><u>25,000</u></u>

9 Tangible Assets

Cost	Office Equipment £	Fixtures and Fittings £	Total £
At 1 January 2010	16,797	1,792	18,589
Additions	2,691	2,652	5,343
Disposals	(4,978)	-	(4,978)
At 31 December 2010	<u><u>14,510</u></u>	<u><u>4,444</u></u>	<u><u>18,954</u></u>

Depreciation

At 1 January 2010	12,196	1,607	13,803
Charge for the year	2,663	682	3,345
Disposals	(4,978)	-	(4,978)
At 31 December 2010	<u><u>9,881</u></u>	<u><u>2,289</u></u>	<u><u>12,170</u></u>

Net Book Value

At 31 December 2010	<u><u>4,629</u></u>	<u><u>2,155</u></u>	<u><u>6,784</u></u>
At 31 December 2009	<u><u>4,601</u></u>	<u><u>185</u></u>	<u><u>4,786</u></u>

Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010 (continued)

10 Debtors

	2010	2009
	£	£
Trade debtors	229,938	158,192
Other debtors	9,046	10,685
Prepayments and accrued income	30,579	35,469
	269,563	204,346

11 Creditors. amounts falling due within one year

	2010	2009
	£	£
Trade creditors	5,873	4,740
Corporation tax	109	-
Social security and other taxes	41,297	28,069
Other creditors	3,937	6,360
Accruals and deferred income	56,064	76,464
	107,280	115,633

12 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Director's Loan	115,208	130,788
Loans wholly repayable in more than five years	27,460	27,460
	142,668	158,248

The loan of £27,460 was advanced by NM Life Assurance Limited and is secured on a pension policy held by T Fane-Saunders, a director of the company, and attracts interest at 3% above the bank base rate. The loan is not repayable by installments and falls due for redemption in 2013.

13 Future financial commitments

At 31 December the company had annual commitments under operating leases as set out below:

	2010		2009	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating Leases which expire within one year	33,600	1,433	72,060	597
in the second to fifth year	-	7,947	-	3,570
after five years	75,000	-	-	-
	108,600	9,380	72,060	4,167

Chelgate Limited
Notes to the Financial Statements
For the year ended 31 December 2010 (continued)

14 Reserves

	Profit and loss account £
At 1 January 2010	21,718
Profit for the year	10,049
Dividends	<u>(18,750)</u>
At 31 December 2010	<u><u>13,017</u></u>

15 Pension Costs

The group contributed to certain employees' personal pension schemes. The total pension cost of £9,000 (2009 £9,000) represents amounts paid into the schemes during the year.

16 Director's loan

Terence Fane-Saunders, a director, has loaned funds to the company, on which he charges interest, as follows

	2010 £	2009 £
Balance outstanding at 31 December	115,208	130,788
Interest paid to T Fane-Saunders on Director's Loan Account	<u>19,800</u>	<u>19,800</u>

17 Ultimate Parent Undertaking and Controlling Party

The company's ultimate parent undertaking is Chelgate (Holdings) Limited. Chelgate (Holdings) Limited does not prepare consolidated financial statements.

The company is controlled by T Fane-Saunders by virtue of his shareholding in the ultimate parent undertaking.