

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2006
FOR
ARETE INTERNATIONAL LIMITED



Baldwin Scofield & Co
Chartered Accountants
Unit 3 Newhouse Business Centre
Old Crawley Road
Horsham
RH12 4RU

ARETE INTERNATIONAL LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2006

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Report of the Accountants	7
Profit and Loss Account	8

ARETE INTERNATIONAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2006

DIRECTORS: R Holland
Mrs L A Holland

SECRETARY: Mrs L A Holland

REGISTERED OFFICE: 2 Lanark Close
Horsham
West Sussex
RH13 5RY

REGISTERED NUMBER: 3894088

ACCOUNTANTS: Baldwin Scofield & Co
Chartered Accountants
Unit 3 Newhouse Business Centre
Old Crawley Road
Horsham
RH12 4RU

ARETE INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2006

The directors present their report with the financial statements of the company for the year ended 31 January 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of general construction and civil engineering services.

DIRECTORS

The directors during the year under review were:

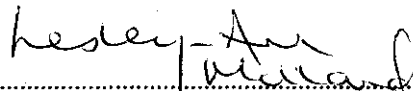
R Holland
Mrs L A Holland

The beneficial interests of the directors holding office on 31 January 2006 in the issued share capital of the company were as follows:

	31.1.06	1.2.05
Ordinary £1 shares		
R Holland	50	50
Mrs L A Holland	50	50

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:


.....
Mrs L A Holland - Secretary

Date: 9/11/06

ARETE INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2006

		2006	2005
	Notes	£	£
TURNOVER		59,634	59,255
Administrative expenses		20,545	26,800
OPERATING PROFIT	2	39,089	32,455
Interest receivable and similar income		683	452
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,772	32,907
Tax on profit on ordinary activities	3	7,458	5,436
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		32,314	27,471
Retained profit brought forward		3,168	3,758
		35,482	31,229
Dividends	4	(35,000)	(28,061)
RETAINED PROFIT CARRIED FORWARD		£482	£3,168

The notes form part of these financial statements

ARETE INTERNATIONAL LIMITED

BALANCE SHEET
31 JANUARY 2006

		2006		2005	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		788		-
CURRENT ASSETS:					
Debtors	6	-		9,001	
Cash at bank		15,659		18,371	
		15,659		27,372	
CREDITORS: Amounts falling due within one year	7	15,865		24,104	
NET CURRENT (LIABILITIES)/ASSETS:			(206)		3,268
TOTAL ASSETS LESS CURRENT LIABILITIES:			£582		£3,268
CAPITAL AND RESERVES:					
Called up share capital	8		100		100
Profit and loss account			482		3,168
SHAREHOLDERS' FUNDS:			£582		£3,268

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 January 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their 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.

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).

ON BEHALF OF THE BOARD:


.....
R Holland - Director

Approved by the Board on 9/4/06

The notes form part of these financial statements

ARETE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2006

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 services, excluding value added tax.

Tangible fixed assets

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

Deferred tax

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

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 £
Depreciation - owned assets	262	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	13,892	13,450
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2006 £	2005 £
Current tax:		
UK corporation tax	7,469	5,440
Prior year adjustment	(11)	(4)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	7,458	5,436
	<u> </u>	<u> </u>

4. DIVIDENDS

	2006 £	2005 £
Dividend	35,000	28,061
	<u> </u>	<u> </u>

ARETE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2006

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
Additions	1,050
At 31 January 2006	<u>1,050</u>
DEPRECIATION:	
Charge for year	262
At 31 January 2006	<u>262</u>
NET BOOK VALUE:	
At 31 January 2006	<u><u>788</u></u>

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

	2006 £	2005 £
Trade debtors	<u><u>-</u></u>	<u><u>9,001</u></u>

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

	2006 £	2005 £
Directors current accounts	4,634	14,634
V.A.T.	1,999	3,084
Taxation	7,469	5,440
Accrued expenses	1,763	946
	<u><u>15,865</u></u>	<u><u>24,104</u></u>

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2006 £	2005 £
100	Ordinary	£1	<u><u>100</u></u>	<u><u>100</u></u>

ARETE INTERNATIONAL LIMITED

REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
ARETE INTERNATIONAL LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 January 2006 set out on pages three to six and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Baldwin Scofield & Co
Chartered Accountants
Unit 3 Newhouse Business Centre
Old Crawley Road
Horsham
RH12 4RU

Baldwin Scofield & Co

Date: 16 Nov 2006