

Proud Trade Limited

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 March 2005



Proud Trade Limited

DIRECTOR AND OFFICERS

DIRECTOR

Mr F E Jones

SECRETARY

Mr W Webster

REGISTERED OFFICE

City Plaza
Temple Row
Birmingham
B2 5AF

ADVISORS

Baker Tilly
Chartered Accountants
City Plaza
Temple Row
Birmingham
B2 5AF

BANKERS

Lloyds TSB Bank plc
1 Cornwall Street
Birmingham
B3 2DS

Proud Trade Limited

DIRECTOR'S REPORT

The director presents his report and the unaudited financial statements for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The company is dormant and has not traded during the year.

RESULTS AND DIVIDENDS

The result for the year and the preceding year are shown on page 4..

DIRECTOR

Mr F E Jones is the sole director and he has no beneficial interest in the share capital of the company at 31 March 2005.



F E Jones
Director

12.10. 2005

Proud Trade Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

I am required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the profit and loss of the company for that year.

In preparing these financial statements I am required to:

- select suitable accounting policies and then apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, and give details of any departures.
- prepare the financial statements on the going concern basis unless in my view the company will be unable to continue in business.

I am also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud.

Proud Trade Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2005

	<i>Notes</i>	2005 £	2004 £
Administrative expenses		-	(832)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(832)
Taxation	1	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		-	(832)
		<hr/>	<hr/>
RETAINED LOSS FOR THE YEAR	7	-	(832)
		<hr/> <hr/>	<hr/> <hr/>

No separate Statements of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Proud Trade Limited

BALANCE SHEET

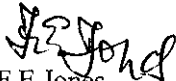
31 March 2005

	Notes	2005	2004
		£	£
CURRENT ASSETS			
Cash at bank and in hand		-	115
		<u>-</u>	<u>2,045,635</u>
CREDITORS: Amounts falling due within one year	3	(114,424)	(3,842,397)
		<u>(114,424)</u>	<u>(114,424)</u>
NET CURRENT LIABILITIES		(114,424)	(114,424)
		<u>(114,424)</u>	<u>(114,424)</u>
CAPITAL AND RESERVES			
Called up share capital	4	124	124
Profit and loss account	5	(114,548)	(114,548)
		<u>(114,424)</u>	<u>(114,424)</u>
TOTAL SHAREHOLDERS' DEFICIT	6	(114,424)	(114,424)
		<u>(114,424)</u>	<u>(114,424)</u>
Attributable to			
Non-equity		20	20
Equity		(114,444)	(114,444)
		<u>(114,424)</u>	<u>(114,424)</u>

For the year ended 31 March 2005 the company was entitled to the exemption from the requirement to have an audit under the provisions of s249A(1), Companies Act 1985. No notice has been deposited with the company under s249B(2) of that Act requiring an audit to be carried out. The director acknowledges his responsibility for:

- Ensuring the company keeps accounting records in accordance with s221, Companies Act 1985; and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its result for the year then ended in accordance with the requirements of s226, Companies Act 1985, and which otherwise comply with the requirements of the Act so far as they are applicable to the company.

Approved by the board on 12.10.2005


F E Jones
Director

Proud Trade Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The accounts are prepared on a going concern basis due to the continuing support of the director and its associated undertaking.

CASH FLOW STATEMENT

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No. 1 as it is entitled to the small companies exemptions laid down in the Companies Act.

DEFERRED TAXATION

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.

Deferred tax is measured at the average rates that are expected to apply in the periods in which 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.

GOING CONCERN

The accounts have been drawn up on a going concern basis due to the continuing support of the parent undertaking, which has indicated that it will not seek repayment of the balance owing to it until such time as the company has adequate funds available.

Proud Trade Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2005

1	TAXATION	2005 £	2004 £
	Corporation tax current year	-	-
	Factors affecting the tax charge for the year are shown below:		
	Loss on ordinary activities before taxation	-	(832)
	Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 30% (2004: 30%)	-	(250)
	Losses not utilised	-	250
		-	-
2	DIRECTOR'S EMOLUMENTS		
	The director received no remuneration from the company during the year.		
3	CREDITORS: amounts falling due within one year	2005 £	2004 £
	Amounts due to associated undertakings	114,348	113,663
	Proposed dividend	76	76
	Accruals and deferred income	-	800
		114,424	114,539

Proud Trade Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2005

4	CALLED UP SHARE CAPITAL (2005 AND 2004)	<i>Number of shares</i>	<i>£</i>
	AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
	Ordinary shares of £1 each (equity)	104	104
	Redeemable participating preference shares of £1 each (non-equity)	20	20
		<hr/>	<hr/>
		124	124
		<hr/>	<hr/>

The holders of the Preference Shares shall be entitled to participate in any dividend which may be declared in the company on the same basis as any other class of shares in the capital of the company.

The company and the holders of the Preference Shares have the right to redeem some or all of the shares at any time, upon giving 3 months notice.

On return of capital the holders of the Preference Shares shall have priority to any repayment of capital.

5	PROFIT AND LOSS ACCOUNT	2005 £	2004 £
	Deficiency at 31 March 2004	(114,548)	(113,716)
	Retained loss for the year	-	(832)
		<hr/>	<hr/>
	Deficiency at 31 March 2005	(114,548)	(114,548)
		<hr/>	<hr/>

6	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	£
	Shareholders' deficit at 31 March 2004	(114,424)
	Loss for the financial year	-
		<hr/>
	Shareholders' deficit at 31 March 2005	(114,424)
		<hr/>

Proud Trade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2005

7 POTENTIAL DEFERRED TAX ASSET (2005 AND 2004) £

Deferred taxation asset unprovided is as follows:

Excess management expenses	(83,577)
Capital losses	(1,051,163)
Potential gain on investments	266,667
	<hr/>
	(868,073)
	<hr/>
Tax effect at 30%	(260,422)
	<hr/> <hr/>

Provision has not been made for the deferred taxation asset because there is deemed to be sufficient uncertainty that the asset will be recovered.

8 RELATED PARTY TRANSACTIONS

There is a loan outstanding from Westbarter Limited, a company of which F E Jones is a director, and an amount of £114,348 (2004: £113,663) is included in creditors.