

Principality Ventures Limited

FINANCIAL STATEMENTS

YEAR ENDED 10TH APRIL 2004

Company Number 3332046



Principality Ventures Limited

Company Information

Directors

**John Eric Primmer
Bandcash Limited**

Secretary

Michael Paul Bailey, F.C.A.

Company Number

3332046 (England and Wales)

Registered Office

**72, Dunstall Road,
Halesowen,
West Midlands,
B63 1BE**

Solicitors

**Tompkins & Hing,
34, Bridge Street,
Hereford,
HR4 9DN**

Principality Ventures Limited

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Principality Ventures Limited

DIRECTORS' REPORT FOR THE YEAR ENDING 10th APRIL 2004

The Directors present their report and the financial statements for the year ending 10th April 2004.

Principal Activity

The Company's principal activity continues to be that of the Development of Residential Housing at sites in South Wales.

Directors

The Directors who served during the period and their beneficial interests in the company's issued share capital were:-

	Number of Shares	
	Ord.	Pref.
John Eric Primmer	-	3
Bandcash Limited	-	7

Directors' Responsibilities

Company law requires the directors to prepare a financial statement for each financial year which gives a true and fair view of the state of the 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

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 9 June 2004.


M. P. Bailey,
Secretary.

Principality Ventures Limited
Company Number 3332046
Profit and Loss Account
For the Year Ending

April 10, 2004

£

Turnover	£1,056.25
Loss from Trading	£87,563.91
Tax Charge for earlier years	£0.00
Net Loss after Tax	£87,563.91
Dividends Paid in Period	£0.00
Retained Loss for Year	£87,563.91
Reserves Brought Forward	-£39,256.48
Revenue Reserve Carried Forward	£126,820.39

Balance Sheet as at	April 10, 2004
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Fixed Assets	450000.00
Current Assets	
Work in Progress	607100.57
Debtors	70300.92
	677401.49
Current Liabilities	
Creditors	423229.93
	423229.93
Net Current Assets	254171.56
Total Assets less Current Liabilities	704171.56
<u>Creditors: Amounts falling due after more than one year - unsecured</u>	199958.00
<u>Creditors: Amounts falling due after more than one year - secured</u>	306500.00
Net Assets	197713.56
Financed By:-	
Share Capital	70.00
Shareholders Funds	197643.56
	197713.56

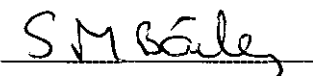
The Directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 and in the opinion of the Directors, the Company is entitled to those exemptions on the basis that it qualifies as a small company

For this year the Company is entitled to the exemption conferred by subsection (1) of section 249A of the Companies Act 1985 (Audit Exemptions) Regulations 1994 and that no notice has been received under subsection (2) of section 249B in relation to its accounts for the financial year.

The Directors acknowledge their responsibilities for:-

- (i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 198, and,
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

Approved by the Board on 9 June 2004



DIRECTOR
Authorised signatory of Bandcash Limited

Principality Ventures Limited
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING 10th APRIL 2004

1. Accounting Policies

(a) Basis of preparation of accounts

The accounts are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the Directors' Report and which is continuing. The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover comprises the invoiced value of property, goods and services supplied by the company, net of Value Added Tax and trade discounts.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at a valuation provided to the Directors for the purposes of the raising of finance and the surplus over cost has been transferred to a Revaluation Account. Depreciation, if appropriate, is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following bases and is provided in full in the year of acquisition:-

Land & Buildings	0%
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(d) Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks and are shown net of costs accrued on complete contracts no account being taken of profits on incomplete contracts.

2. Tangible Fixed Assets

	2004 £	2003 £
<u>Cost</u>		
At 11 April 2002	300,000	300,000
Additions during the period		-
Disposals during Period		-
Revaluation	<u>150,000</u>	<u>-</u>
At 1 st June 2003	<u>450,000</u>	<u>300,000</u>
 <u>Net Book Value</u>		
10th April 2004	<u>450,000</u>	<u>300,000</u>

3. Debtors

All debtors fall due for payment within one year.

4. Creditors

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Trade Creditors	88,070	3,164
Accruals	-	-
Corporation Tax Payable	-	-
Customer Deposits refundable	5,250	500
Secured Bank Borrowing	295,584	-
Bank Overdraft (secured)	34,326	119
Unsecured Loan	-	-
	<u>423,230</u>	<u>3,783</u>

5. Called Up Share Capital

Authorised

1,000 Ordinary Shares of £1 each	1,000
25 "A" Cumulative Participating Convertible Preference Shares of £1 each	25
50 "B" Cumulative Participating Convertible Preference Shares of £1 each	50
50 "C" Cumulative Participating Convertible Preference Shares of £1 each	50
50 "D" Cumulative Participating Convertible Preference Shares of £1 each	50

Issued and Unpaid

2 Ordinary Shares of £1 each	2
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Issued and Fully Paid

13 "A" Cumulative Participating Convertible Preference Shares of £1 each	13
24 "B" Cumulative Participating Convertible Preference Shares of £1 each	24
31 "C" Cumulative Participating Convertible Preference Shares of £1 each	31

6. Operating Profit

The operating loss is stated after charging:

	<u>2004</u>	<u>2003</u>
Interest on Loans	-	-
Bank Interest	8,305	-

7. Interest Payable

	<u>2004</u>	<u>2003</u>
Interest payable on Long Term Loans	-	-
Bank Interest payable	8,305	-

8. Taxation

	<u>2004</u>	<u>2003</u>
U.K. Current Year Taxation		
U. K. Corporation Tax	-	4,659

9. Movement on Shareholders Funds

	<u>2004</u>	<u>2003</u>
Revenue Reserve		
Reserves brought forward	(39,256)	(12,636)
Profit (Loss) for the Period	<u>(87,564)</u>	<u>(26,620)</u>
	(126,820)	(39,256)
Dividends Paid		-
Balance Carried Forward	<u>(126,820)</u>	<u>(39,256)</u>
Revaluation Reserve		
Reserve Brought Forward	176,379	176,379
Addition in Year	148,085	-
Reserve Carried Forward	<u>324,464</u>	<u>176,379</u>
Total Reserves	<u>197,644</u>	<u>137,123</u>