

Principality Ventures Limited

FINANCIAL STATEMENTS

YEAR ENDED 10TH APRIL 2001



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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Principalty Ventures Limited

DIRECTORS' REPORT FOR THE PERIOD ENDING 10th APRIL 2001

The Directors present their report and the financial statements for the period ending 10th April 2001.

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	-	2
Bandcash Limited	-	3

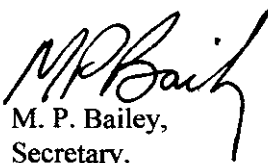
Directors' Responsibilities

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 28th June 2001..


M. P. Bailey,
Secretary.

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

April 10, 2001

£

Turnover	£451,500.00
Profit from Trading	£11,847.51
Tax Payable	£1,415.80
Net Profit after Tax	£10,431.71
Dividends Paid in Period	£21,000.00
Retained Profit for Year	-£10,568.29
Reserves Brought Forward	£10,865.69
Revenue Reserve Carried Forward	£297.40

Balance Sheet as at**April 10, 2001**

Fixed Assets		72203.00
Current Assets		
Work in Progress	0.00	
Debtors	77765.01	
	77765.01	
Current Liabilities		
Creditors	49650.61	
	49650.61	
Net Current Assets		28114.40
Total Assets less Current Liabilities		100317.40
Creditors: Amounts falling due after more than one year		99980.00
Net Assets		337.40
Financed By:-		
Share Capital		40.00
Shareholders Funds		297.40
		337.40

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 1985, 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 28 June 2001



DIRECTOR

Authorised signatory of Bandcash Limited

Principality Ventures Limited
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDING 10th APRIL 2001

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 cost less depreciation. Depreciation 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.

(e) Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. Tangible Fixed Assets

	2001 £	2000 £
<u>Cost</u>		
At 1st May 2000	39,000	40,000
Additions during the period	57,203	15,000 -
Disposals during Period	24,000	16,000
At 10th April 2001	<u>72,203</u>	<u>39,000</u>
<u>Net Book Value</u>		
10th April 2001	<u>72,203</u>	<u>39,000</u>

3. Debtors

All debtors fall due for payment within one year.

4. Creditors

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Trade Creditors	7,909	85,910
Accruals	22,295	18,054
Corporation Tax Payable	3,447	8,441
Bank Overdraft (secured)	-	66,570
Unsecured Loan	15,999	
	<u>46,950</u>	<u>178,975</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

18 "A" Cumulative Participating Convertible Preference Shares of £1 each	18
20 "B" Cumulative Participating Convertible Preference Shares of £1 each	20

6. Operating Profit

The operating loss is stated after charging:

	<u>2001</u>	<u>2000</u>
Interest on Loans	695	3,404
Bank Interest	195	518

7. Interest Payable

	<u>2001</u>	<u>2000</u>
Interest payable on Long Term Loans	695	3,404
Bank Interest payable	195	518

8. Taxation

	<u>2001</u>	<u>2000</u>
U.K. Current Year Taxation		
U. K. Corporation Tax	1,415	2,244

9. Movement on Shareholders Funds

	<u>2001</u>	<u>2000</u>
Reserves (1999 Losses) brought forward	10,865	2,244
Profit (Loss) for the Period	<u>10,432</u>	<u>8,621</u>
	21,297	10,865
Dividends Paid	21,000	-
Balance Carried Forward	<u>297</u>	<u>10,865</u>