

Principality Ventures Limited

FINANCIAL STATEMENTS

YEAR ENDED 10TH APRIL 2005

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

Contents

	<u>Page</u>
Directors Report	1
Profit & Loss Account	2
Balance Sheet	3
Notes to the Accounts	4 to 6

Principality Ventures Limited

DIRECTORS' REPORT FOR THE YEAR ENDING 10th APRIL 2005

The Directors present their report and the financial statements for the year ending 10th April 2005.

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 30 June 2005.


M. P. Bailey,
Secretary.

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

April 10, 2005

10-Apr-04

	£	£
Turnover	£1,997,714.31	£1,056.25
Loss from Trading	£37,005.90	£87,563.91
Tax Charge for earlier years	£0.00	£0.00
Net Loss after Tax	£37,005.90	£87,563.91
Dividends Paid in Period	£0.00	£0.00
Retained Loss for Year	£37,005.90	£87,563.91
Deficit Brought Forward	£126,820.39	£39,256.48
Transfer from Revaluation Reserve	£172,371.47	£0.00
Revenue Reserve Carried Forward	£8,545.18	(DEFICIT) £126,820.39

Balance Sheet as at**April 10, 2005**

		2004
Fixed Assets	211577.00	450000.00
Current Assets		
Work in Progress	798176.00	607100.57
Debtors	116233.96	70300.92
	914409.96	677401.49
Current Liabilities		
Creditors	673446.30	423229.93
	673446.30	423229.93
Net Current Assets	240963.66	254171.56
Total Assets less Current Liabilities	452540.66	704171.56
Creditors: Amounts falling due after more than one year - unsecured	199958.00	199958.00
Creditors: Amounts falling due after more than one year - secured	91875.00	306500.00
Net Assets	160707.66	197713.56
Financed By:-		
Shareholders Funds	160707.66	197713.56
	160707.66	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 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 9 June 2004

SM Bailey

DIRECTOR

Authorised signatory of Bandcash Limited

Principality Ventures Limited
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING 10th APRIL 2005

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

	2005 £	2004 £
<u>Cost</u>		
At 11 April 2004	450,000	300,000
Additions during the period	968	-
Disposals during Period	239,063	-
Revaluation		<u>150,000</u>
At 10 April 2005	<u>211,905</u>	<u>450,000</u>
<u>Depreciation</u>		
Provided in Year	<u>328</u>	-
<u>Net Book Value</u>		
10th April 2005	<u>211,577</u>	<u>450,000</u>

3. **Debtors**

All debtors fall due for payment within one year.

4. **Creditors**

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Trade Creditors	55,345	88,070
Accruals	8,042	-
Corporation Tax Payable	9,059	-
Customer Deposits refundable	20,000	5,250
Secured Bank Borrowing	361,500	295,584
Bank Overdraft (secured)	-	34,326
Unsecured Loan	219,500	-
	<u>673,446</u>	<u>423,230</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>2005</u>	<u>2004</u>
Interest on Loans	-	-
Bank Interest	58,557	8,305

7. Interest Payable

	<u>2005</u>	<u>2004</u>
Interest payable on Long Term Loans	-	-
Bank Interest payable	58,557	8,305

8. Taxation

	<u>2005</u>	<u>2004</u>
U.K. Current Year Taxation		
U. K. Corporation Tax	-	-

9. Movement on Shareholders Funds

	<u>2005</u>	<u>2004</u>
Revenue Reserve		
Reserves brought forward	(126,820)	(39,256)
Profit (Loss) for the Period	(37,006)	(87,564)
	(163,826)	(126,820)
Dividends Paid	-	-
Realisation of Revaluation Reserve	172,371	-
Balance Carried Forward	<u>8,545</u>	<u>(126,820)</u>
Revaluation Reserve		
Reserve Brought Forward	324,464	176,379
Addition in Year	-	148,085
Realisation of Reserve	172,371	
Reserve Carried Forward	<u>152,093</u>	<u>324,464</u>
Total Reserves	<u>160,638</u>	<u>197,644</u>

Principality Ventures Limited
SUPPLEMENTARY ACCOUNTS
FOR THE YEAR ENDING 10 APRIL 2005

The Accounts on the following pages do not form part of the Statutory Accounts of the Company.