

ADVANCEFORCE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



COMPANY NUMBER: SC109369

Advanceforce Limited

Company information

Directors	David G. Adamson Barry Adamson	(Appointed - 3 September 2003)
Secretary	Julie Adamson	
Company number	SC109369	
Registered office	3 Maclean Place Pitreavie Castle DUNFERMLINE Fife, KY11 8TB	
Accountants	John Lynch & Co. Torridon Lane ROSYTH Fife, KY11 2EU	
Business address	3 Maclean Place Pitreavie Castle DUNFERMLINE Fife, KY11 8TB	

Advanceforce Limited

**Directors' report
for the year ended 31 March 2004**

The directors present his/their report and the financial statements for the year ended 31 March 2004.

Principal activity

The principal activity of the company continues to be that of property development and letting.

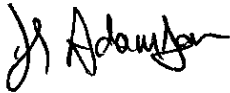
Directors and their interests

The directors who served during the year and their interests in the company is as stated below:

	Ordinary shares	
	31/03/04	01/04/03 or date of appointment
David G. Adamson	8,751	8,751
Barry Adamson (Appointed - 3 September 2003)	<u>-</u>	<u>-</u>

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 14 September 2004 and signed on its behalf by



David G. Adamson
Director

Advanceforce Limited

**Accountants' report on the unaudited financial statements to the directors of
Advanceforce Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2004 set out on pages 4 to 10 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 supplied to us.

A large, stylized handwritten signature in black ink, consisting of a large loop followed by a long horizontal stroke.

John Lynch & Co.
Chartered accountants
Torridon Lane
ROSYTH
Fife, KY11 2EU

Date: 14 September 2004

Advanceforce Limited

**Profit and loss account
for the year ended 31 March 2004**

		2004	2003
	Notes	£	£
Turnover	2	-	26,614
Administrative expenses		(14,238)	(12,994)
Other operating income		7,342	6,575
Operating (loss)/profit	3	<u>(6,896)</u>	<u>20,195</u>
Other interest receivable and similar income		20	-
Interest payable and similar charges		(5,376)	(8,212)
(Loss)/profit on ordinary activities before taxation		<u>(12,252)</u>	<u>11,983</u>
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/retained profit for the year		<u>(12,252)</u>	<u>11,983</u>
Accumulated loss brought forward		<u>(32,060)</u>	<u>(44,043)</u>
Accumulated loss carried forward		<u><u>(44,312)</u></u>	<u><u>(32,060)</u></u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Advanceforce Limited

**Balance sheet
as at 31 March 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		57,089		99,521
Current assets					
Work-in-progress		46,395		-	
Debtors	6	105		261	
		<u>46,500</u>		<u>261</u>	
Creditors: amounts falling due within one year	7	<u>(83,082)</u>		<u>(58,331)</u>	
Net current liabilities			<u>(36,582)</u>		<u>(58,070)</u>
Total assets less current liabilities			<u>20,507</u>		<u>41,451</u>
Creditors: amounts falling due after more than one year	8		<u>(47,317)</u>		<u>(56,009)</u>
Deficiency of assets			<u><u>(26,810)</u></u>		<u><u>(14,558)</u></u>
Capital and reserves					
Called up share capital	9		17,502		17,502
Profit and loss account			<u>(44,312)</u>		<u>(32,060)</u>
Shareholders' funds			<u><u>(26,810)</u></u>		<u><u>(14,558)</u></u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 7 to 10 form an integral part of these financial statements.

Advanceforce Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 March 2004**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2004 and

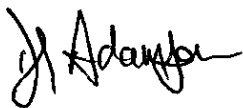
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 14 September 2004 and signed on its behalf by



David G. Adamson
Director

The notes on pages 7 to 10 form an integral part of these financial statements.

Advanceforce Limited

Notes to the financial statements for the year ended 31 March 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. 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 less residual value of each asset over its expected useful life, as follows:

Equipment	-	25% reducing balance basis
Fixtures and fittings	-	25% reducing balance basis
Motor vehicles	-	25% reducing balance basis

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Advanceforce Limited

**Notes to the financial statements
for the year ended 31 March 2004**

..... continued

3. Operating (loss)/profit	2004	2003
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation	1,920	2,496
Loss on disposal of tangible fixed assets	<u>1,432</u>	<u>-</u>

4. Pension costs

The company contributes to a defined contribution pension scheme in respect of the employee. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £780 (2003 - £780).

Advanceforce Limited

**Notes to the financial statements
for the year ended 31 March 2004**

..... continued

5. Tangible fixed assets	Land and buildings freehold	Equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2003	92,033	4,217	1,389	10,963	108,602
Additions	-	-	189	-	189
Disposals	(40,701)	-	-	-	(40,701)
At 31 March 2004	<u>51,332</u>	<u>4,217</u>	<u>1,578</u>	<u>10,963</u>	<u>68,090</u>
Depreciation					
At 1 April 2003	-	2,987	1,298	4,796	9,081
Charge for the year	-	355	23	1,542	1,920
At 31 March 2004	<u>-</u>	<u>3,342</u>	<u>1,321</u>	<u>6,338</u>	<u>11,001</u>
Net book values					
At 31 March 2004	<u>51,332</u>	<u>875</u>	<u>257</u>	<u>4,625</u>	<u>57,089</u>
At 31 March 2003	<u>92,033</u>	<u>1,230</u>	<u>91</u>	<u>6,167</u>	<u>99,521</u>

In accordance with SSAP 19, investment property is revalued annually by the director and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties. The Companies Act 1985 requires all properties to be depreciated. However, *this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The director considers that, because the property is not held for consumption, but for its investment potential, to depreciate it would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.*

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>4,625</u>	<u>1,542</u>	<u>6,167</u>	<u>2,056</u>

Advanceforce Limited

Notes to the financial statements for the year ended 31 March 2004

..... continued

6. Debtors	2004	2003
	£	£
Prepayments and accrued income	105	261
	<u>105</u>	<u>261</u>
7. Creditors: amounts falling due within one year	2004	2003
	£	£
Bank overdraft	55,557	29,697
Bank loans	6,652	9,029
Net obligations under hire purchase contracts	5,902	2,430
Other taxes and social security costs	1,016	995
Directors' accounts	12,600	14,707
Other creditors	400	400
Accruals and deferred income	955	1,073
	<u>83,082</u>	<u>58,331</u>
8. Creditors: amounts falling due after more than one year	2004	2003
	£	£
Bank loans	47,317	50,107
Net obligations under hire purchase contracts	-	5,902
	<u>47,317</u>	<u>56,009</u>
9. Share capital	2004	2003
	£	£
Authorised		
17,600 Ordinary shares of £1 each	<u>17,600</u>	<u>17,600</u>
Allotted, called up and fully paid		
17,502 Ordinary shares of £1 each	<u>17,502</u>	<u>17,502</u>
10. Controlling interest		
There is no one person with a majority shareholding in the company.		