

Company Registration No. 3789768

PINNACLE ESTATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2005



PINNACLE ESTATES LIMITED

COMPANY INFORMATION

Directors	A J Colin R H Gibbs
Secretary	Miss C Muggridge
Company number	3789768
Registered Office & Business Address	7 Manchester Street London W1U 3AE
Bankers	Royal Bank of Scotland 1 Spinningfields Square Deansgate Manchester M3 3AP

PINNACLE ESTATES LIMITED

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PINNACLE ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities

The principal activity of the company continues to be that of property management.

Directors

The following directors have held office since 1 April 2002:

A J Colin
R H Gibbs

Directors' interests

The directors' interests in the share of the company was as stated below:

Ordinary 'A' Shares of £1 each

	31 March 2005	31 March 2004
A J Colin	60	60
R H Gibbs	-	-

Ordinary 'B' Shares of £1 each

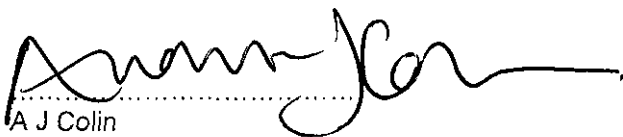
	31 March 2005	31 March 2004
A J Colin	40	13
R H Gibbs	-	-

Ordinary 'C' Shares of £1 each

	31 March 2005	31 March 2004
A J Colin	-	-
R H Gibbs	-	-

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

On behalf of the board



A J Colin
Director

PINNACLE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Turnover		294,122	675,111
Cost of sales		-	(304,166)
Administrative expenses		(309,760)	(363,101)
Operating (loss)/profit	2	(15,638)	7,844
Interest payable and similar charges		(55)	(40)
Interest received (gross)		2,120	1074
(Loss)/profit on ordinary activities		(13,573)	8,878
Tax on loss on ordinary activities	3	-	-
(Loss)/profit on ordinary activities after taxation	10	(13,573)	8,878

PINNACLE ESTATES LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2005

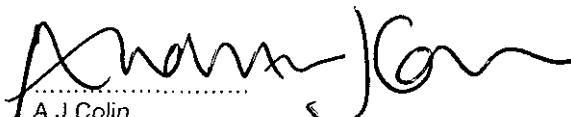
		2005	2004
		£	£
	Notes		
Fixed assets			
Tangible assets	5	24,785	30,981
Investments	6	1	1
		<u>24,786</u>	<u>30,982</u>
Current assets			
Debtors and prepayments	7	462,118	856,386
Cash at bank and in hand		14,461	9,343
		<u>476,579</u>	<u>866,179</u>
Creditors: amounts falling due within one year	8	615,397	997,620
		<u>615,397</u>	<u>997,620</u>
Net current liabilities		(138,818)	(131,411)
Total assets less current liabilities		<u>(114,032)</u>	<u>(100,459)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(114,132)	(100,559)
		<u>(114,032)</u>	<u>(100,459)</u>
Shareholder's funds		<u>(114,032)</u>	<u>(100,459)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985; and
- (c) 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

These financial statements were approved by the Board on 24 August 2005


 A J Colin
 Director

PINNACLE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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 estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	20% straight line/25% reducing balance
Motor vehicles	25% reducing balance

1.4 Investments

Fixed assets investments are stated at cost less provision for diminution in value.

1.5 Leasing and hire purchases commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as intangible 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 a constant periodic rate of charge on the net obligation outstanding in each period. No such contracts currently exist.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

PINNACLE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

2 Operating (loss)/profit

	2005 £	2004 £
Operating loss is stated after charging:		
Amortisation of intangible assets	-	7,003
Depreciation of tangible assets	<u>6,196</u>	<u>8,160</u>

3 Taxation

	2005 £	2004 £
U.K. Current year taxation	<u>-</u>	<u>-</u>

Based on these accounts, no corporation tax liability falls due.

4 Tangible fixed assets

	£
Cost	
At 1 April 2004 and 31 March 2005	60,074
Depreciation	
At 1 April 2004	29,093
Charge for the year	6,196
At 31 March 2005	<u>35,289</u>
Net book value	
At 31 March 2005	<u>24,785</u>
At 31 March 2004	<u>30,981</u>

PINNACLE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5 Fixed asset investments

Shares in group
undertakings and
participating interests
£

Cost

At 1 April 2004 and 31 March 2005

1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
Subsidiary undertakings		Class	%
Pinnacle Corporate Services Ltd	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows.

	Capital and Reserves £	Loss for the year £
Pinnacle Corporate Services Ltd	<u>18,077</u>	<u>4,134</u>

6 Debtors and Prepayments

	2005 £	2004 £
Amounts owed by group undertakings	409,808	817,767
Other debtors		4,052
Prepayments	<u>52,310</u>	<u>35,017</u>
	<u>462,118</u>	<u>856,836</u>

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade Creditors	1,274	20,408
Amounts owed to group undertakings and undertakings in which the company has a participating interest	602,996	290,408
Taxation and social security	4,015	4,266
Other creditors	<u>7,115</u>	<u>682,514</u>
	<u>615,400</u>	<u>997,620</u>

The funds introduced by A J Colin (a director of the company) are secured by way of a debenture dated 10 July 2000, £438.80 and was owed by the company at the year end (2004:£680,559).

PINNACLE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8 Share Capital

	2005 £	2004 £
Authorised		
60 Ordinary 'A' shares of £1 each	60	60
40 Ordinary 'B' shares of £1 each	40	40
900 Ordinary 'C' shares of £1 each	900	900
	<u>1,000</u>	<u>1,000</u>

Allotted, called up fully paid

	2004 £	2003 £
60 Ordinary 'A' shares of £1 each	60	60
40 Ordinary 'B' shares of £1 each	40	40
	<u>100</u>	<u>100</u>

9 Statement of movement on profit and loss account

	Profit and Loss account £
Balance at 1 April 2005	(100,559)
Loss for the year	(13,573)
Balance at 31 March 2005	<u>(114,132)</u>

10 Control

The ultimate controlling party is A J Colin, a director of the company, who owns 100% of the voting share capital.

PINNACLE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

11 Related party transactions

The following transactions were undertaken with companies controlled by A J Colin.

Debtors	£
Pinnacle Redevelopments Ltd	1,657
Earth Property Ventures (Leeds West St) Ltd	353,405
Formera	26,100
Chooseformat Ltd	<u>40,646</u>
Creditors	
Espalier Private Equity Ltd	125,996
Pinnacle Property Developments (Southwark) Ltd	<u>453,936</u>

The following transactions were undertaken with subsidiaries.

Pinnacle Corporate Services Limited was owed £23,063 (2004: £17,082) at the year end in respect of expenses incurred on behalf of the Company.

PINNACLE ESTATES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	£	2005	£	£	2004	£
Turnover						
Management fees			256,000			667,656
Rent			-			6,106
Other Income			38,122			1,349
			<u>294,122</u>			<u>675,111</u>
Cost of sales						
Professional fees	-			(15,834)		
Less: work in progress	<u>-</u>			<u>320,000</u>		
			-			304,166
Administrative expenses			(309,760)			(363,101)
Operating (loss)/profit			<u>(15,638)</u>			<u>7,844</u>
Interest payable						
Bank interest paid			(55)			(40)
Interest received						
Bank interest			2,120			1,074
(Loss)/profit before taxation			<u>(13,573)</u>			<u>8,878</u>

PINNACLE ESTATES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED

31 MARCH 2005

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Administrative Expenses		
Wages and salaries	165,300	173,635
Staff pension	-	3,000
Conferences	1,768	-
Rent	58,862	78,707
Insurance	4,132	10,647
Cleaning	3,449	4,628
Repairs and maintenance	-	710
Premises expenses	13,628	27,272
Equipment hire	72	258
Printing, postage and stationery	4,968	4,160
Advertising	1,489	-
Telephone	6,220	7,397
Computer running costs	6,396	7,638
Motor running costs	2,264	4,057
Travelling expenses	11,005	12,629
Entertaining	8,323	4,634
Subsistence and refreshments	2,876	1,561
Legal and professional fees	2,133	-
Consultancy fees	5,667	3,125
Accountancy	398	1,443
Bank Charges	343	425
Subscriptions – allowable	1,245	389
Miscellaneous expenses	3,026	1,023
Penalties and interest – not allowable	-	600
Depreciation on intangible assets	-	7,003
Depreciation on FF & E	6,196	8,160
	<u>309,760</u>	<u>363,101</u>