

Vane Holdings Limited

BALANCE SHEET

23 December 2003

4573663

	Note	2003 £
FIXED ASSETS		
Investments	2	11,246,200
CURRENT ASSETS		
Cash at bank		2
NET ASSETS		<u>11,246,202</u>
CAPITAL AND RESERVES		
Called up share capital	3	11,246,202
SHAREHOLDERS' FUNDS		<u>11,246,202</u>

Approved by the board on 23 December 2003

Director



EDX *EQNIK00T* 0111
COMPANIES HOUSE 30/12/03

Vane Holdings Limited

NOTES TO THE BALANCE SHEET

23 December 2003

1 ACCOUNTING POLICIES

The principal accounting policies, which have been consistently applied in the company's financial information throughout the period under review, are as follows:

BASIS OF ACCOUNTING

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets. Short term investments are classified as current assets.

Unlisted investments are stated at cost.

Provision is made for any impairment in the value of fixed asset investments.

2 INVESTMENTS

	Shares in subsidiary undertakings £
Cost:	
Additions	11,246,200
17 December 2003	<u>11,246,200</u>

At 23 December 2003, the company held more than 20 per cent of the equity of the following undertakings:

Company	Country of registration or incorporation	Shares held		Nature of business
		Class	%	
Subsidiary undertaking:				
Vane Minerals Limited	England & Wales	Ordinary	100%	Mining & exploration
Minerales Vane SA De CV	Mexico	Common	100%*	Mining & exploration

* 0.1% directly held and 99.9% indirectly held.

3 SHARE CAPITAL

	£
Authorised:	
200,000,000 Ordinary shares of 10p each	20,000,000
Issued and fully paid:	
112,462,020 Ordinary shares of 10p each	<u>11,246,202</u>



Vane Holdings Limited
NOTES TO THE BALANCE SHEET
23 December 2003

3 SHARE CAPITAL (continued)

The company was incorporated on 25 October 2002 with an authorised share capital of £100 divided into 100 ordinary shares of £1 each of which one was issued.

On 13 February 2003, one ordinary share of £1 was issued at par for cash consideration.

On 21 October 2003 the company's authorised share capital was increased to £20,000,000 by the creation of 19,999,900 ordinary shares of £1 each ranking pari passu with the existing share capital.

On 21 October 2003 the authorised and issued share capital of the company was subdivided so each ordinary share of £1 each sub divided into 10 ordinary shares of 10p each.

On 23 December 2003 112,462,000 ordinary shares of 10p each were issued at par value to acquire the entire share capital of Vane Minerals Limited.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. *select suitable accounting policies and then apply them consistently;*
- b. *make judgements and estimates that are reasonable and prudent;*
- c. *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;*
- d. *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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.