

Company No. 1894782

EXPLOITS LIMITED
ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2005



Registered Office:
PO Box 14
Saxmundham
Suffolk
IP17 2LQ

EXPLOITS LIMITED
DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2005

The directors present their Report and the company's financial statements for the year ended 31st December 2005.

Principal Activities

The principal activity of the company during the year under review was derived from its participating interest in a hotel operated under a joint venture agreement.

Review of the Business

The company owns the freehold interest in a property which operates a hotel trading as Crown & Castle Hotel. This business is operated as a joint venture between the company and Mr D J Watson and Mrs R H S Watson, who is a director of the company. The company's share of the results for the year under review is recognised in the enclosed accounts, as detailed in note 10 to these financial statements.

The directors consider the state of the company's affairs to be satisfactory.

Results and Dividends

There was a profit for the year amounting to £23,157 (2004: £36,773) as set out on page 4 of the financial statements.

No dividend is recommended in respect of the year under review.

Fixed Assets

Additional improvement expenditure on the freehold property operated by the joint venture amounted to £230, as set out in note 5 to these financial statements.

Directors and Directors' Interests

The directors who held office during the year under review were as follows:

Mrs R H S Watson
E R Thompson

The directors who held office at the end of the financial year had the following interest in the ordinary shares of the company as recorded in the register of directors' share interests:

		Interest at the end of period	Interest at beginning of period
R H S Watson	£1 ordinary shares	97	97
E R Thompson	£1 ordinary shares	-	-

EXPLOITS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2005

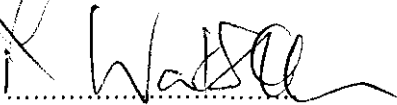
Directors' Responsibilities for the Financial Statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of 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:

- 1 Select suitable accounting policies and then apply them consistently.
- 2 Make judgements and estimates that are reasonable and prudent.
- 3 State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 4 Prepare the financial statements on a 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.

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

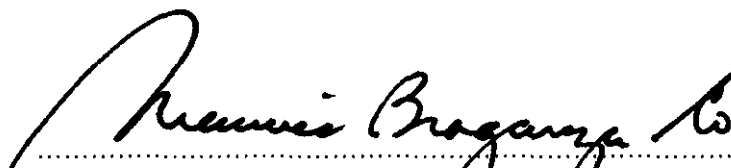


On behalf of the Board
Mrs R. H. S. Watson
Secretary

26th October 2006

**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF EXPLOITS LIMITED**

As set out on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 31st December 2005 set out on pages 4 to 9 and you consider that the company is exempt from an audit and report under Section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.


.....
MABCO Limited T/A Maurice Braganza & Co.
Chartered Accountants

Russell Chambers
The Piazza
Covent Garden
London
WC2E 8AA

26th October 2006

EXPLOITS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2005

		2005	2004
	Notes	£	£
Turnover	1	55,447	70,737
Operating costs		<u>(20,640)</u>	<u>(19,364)</u>
Profit on ordinary activities before taxation	2	34,807	51,373
Tax on ordinary activities	3	<u>11,650</u>	<u>14,600</u>
Profit for the financial year		23,157	36,773
Dividends	4	<u>-</u>	<u>24,000</u>
		23,157	12,773
RETAINED PROFITS AT 31ST DECEMBER 2004		<u>663,365</u>	<u>650,592</u>
RETAINED PROFITS AT 31ST DECEMBER 2005		<u>686,522</u>	<u>663,365</u>

The notes on pages 7 to 9 form part of these financial statements.

There were no recognised gains or losses other than the profit for the year.

EXPLOITS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	5	819,701	838,067
CREDITORS: Amounts falling due within one year	6	<u>122,229</u>	<u>164,902</u>
NET CURRENT LIABILITIES		<u>(122,229)</u>	<u>(164,902)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		697,472	673,165
PROVISION FOR LIABILITIES	7	<u>(10,750)</u>	<u>(9,600)</u>
NET ASSETS		<u><u>686,722</u></u>	<u><u>663,565</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	194	194
Other reserves		6	6
Profit and loss account		<u>686,522</u>	<u>663,365</u>
Shareholders funds	9	<u><u>686,722</u></u>	<u><u>663,565</u></u>

The notes on pages 7 to 9 form part of these financial statements.

The statements required to be made by the company's directors and the signatures required by the Companies Act 1985 are given on the following page.

EXPLOITS LIMITED

BALANCE SHEET (CONT) AS AT 31ST DECEMBER 2005

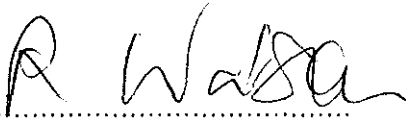
The directors have taken advantage of the exemption conferred by Section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) *The company keeps accounting records which comply with Section 221 of the Companies Act 1985.*
- ii) *The financial statements give a true and fair view of the state of affairs of the company at 31st December 2005 and of its profit or loss for the period then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.*

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved on 26th October 2006



Mrs R. H. S. Watson
Director

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the historical cost convention, in accordance with applicable accounting standards, which have remained unchanged during the year under review.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings and improvements - 2% on cost

Deferred Taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover represents profit share attributable to the company from the the joint venture.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2005	2004
	£	£
Depreciation of tangible fixed assets	<u>18,596</u>	<u>18,592</u>

No remuneration was paid to the directors in respect of the year under review (2004 nil).

3 TAXATION

	2005	2004
	£	£
UK corporation tax at 19% (2004 19%) on the results for the year on ordinary activities:		
Current taxation charge	10,500	9,500
Deferred taxation charge	<u>1,150</u>	<u>5,100</u>
	<u>11,650</u>	<u>14,600</u>

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005

	2005 £	2004 £
4 DIVIDENDS		
Interim - paid	<u>-</u>	<u>24,000</u>
5 TANGIBLE FIXED ASSETS		Freehold Land and Buildings
Cost		£
At 1st January 2005		929,587
Additions		230
At 31st December 2005		<u>929,817</u>
Depreciation		
At 1st January 2005		91,520
Charge for the year		18,596
At 31st December 2005		<u>110,116</u>
Net book value:		
At 31st December 2005		<u>819,701</u>
At 31st December 2004		<u>838,067</u>
6 CREDITORS: Amounts falling due within one year	2005 £	2004 £
Trade	764	882
Taxation and social security costs	33,015	24,742
Proprietors and joint venture current account	86,394	138,503
Accruals and deferred income	2,056	775
	<u>122,229</u>	<u>164,902</u>
7 PROVISION FOR LIABILITIES		
Deferred taxation		£
Balance at 1st January 2005		9,600
Provided in the year		1,150
Balance at 31st December 2005		<u>10,750</u>
8 CALLED UP SHARE CAPITAL	2005 £	2006 £
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>194</u>	<u>194</u>

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Shareholders' funds at 1st January 2005	663,565	650,792
Profit for the year	23,157	36,773
Dividends	-	(24,000)
Shareholders' funds at 31st December 2005	<u>686,722</u>	<u>663,565</u>

10 RELATED PARTY TRANSACTIONS

The company operates a joint venture with Mrs R. H. S. Watson, a director of the company, also with Mr D. J. Watson. The company participates in 50% of the profit or loss. The company's share of the results from the joint venture for the year was a profit of £55,447 (2004: £70,737)