

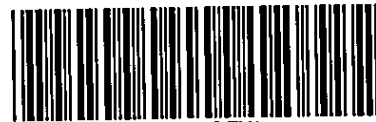
REGISTERED NUMBER: 5367151 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE PERIOD 16 FEBRUARY 2005 TO 31 MAY 2006

FOR

ABILITY 31 MILL HARBOUR LIMITED

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COMPANIES HOUSE

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**ABILITY 31 MILL HARBOUR LIMITED**

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**for the period 16 February 2005 to 31 May 2006**

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**ABILITY 31 MILL HARBOUR LIMITED**

**COMPANY INFORMATION**  
**for the period 16 February 2005 to 31 May 2006**

**DIRECTOR:** A C Panayiotou

**SECRETARY:** J Y Chin

**REGISTERED OFFICE:** Ability House  
7 Portland Place  
London  
W1B 1PP

**REGISTERED NUMBER:** 5367151 (England and Wales)

**AUDITORS:** Langley Group LLP  
Langley House  
Park Road  
London  
N2 8EX

HLB Vantis Audit Plc  
82 St John Street  
London  
EC1M 4JN

**ABILITY 31 MILL HARBOUR LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO**  
**ABILITY 31 MILL HARBOUR LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts which comprise the Abbreviated Balance Sheet and the related notes, together with the financial statements of Ability 31 Mill Harbour Limited for the period ended 31 May 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Langley Group LLP  
Chartered Certified Accountants and Registered Auditors  
Langley House  
Park Road  
London  
N2 8EX

Date 18 MAY 2007



HLB Vantis Audit Plc  
Chartered Accountants and Registered Auditors  
82 St John Street  
London  
EC1M 4JN

Date 18 MAY 2007

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**ABILITY 31 MILL HARBOUR LIMITED**

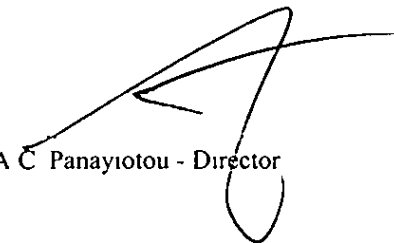
**ABBREVIATED BALANCE SHEET**

**31 May 2006**

	Notes	£
<b>CURRENT ASSETS</b>		
Stocks		52,867,073
Debtors		6,814,521
Cash at bank		<u>2,868,997</u>
		62,550,591
<b>CREDITORS</b>		
Amounts falling due within one year		<u>18,863,364</u>
<b>NET CURRENT ASSETS</b>		<u>43,687,227</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		43,687,227
<b>CREDITORS</b>		
Amounts falling due after more than one year	3	<u>44,110,648</u>
<b>NET LIABILITIES</b>		<u>(423,421)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	4	100
Profit and loss account		<u>(423,521)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(423,421)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the director on **18 MAY 2007** and were signed by

  
A C Panayiotou - Director

The notes form part of these abbreviated accounts

## **ABILITY 31 MILL HARBOUR LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS**

#### **1 ACCOUNTING POLICIES**

##### **Basis of preparation**

The presence of net liabilities arises as a result of amounts owed to the company's parent undertaking, Ability Developments Limited. Ability Developments Limited has informed the company that it has undertaken to continue to provide such financial support as the company requires for its continued operations, for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings - see below

The company holds properties for investment purposes and has followed the provisions of the FRSE by not providing for depreciation on such properties. The properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. This represents a departure from the Companies Act 1985. The director considers that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following the FRSE as described above.

##### **Stocks**

Stock is shown at the lower of cost and net realisable value. Stock comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads which have been incurred in bringing the stocks to their present location and condition. Cost also includes interest arising from the finance of stock at the rate of 100%. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

##### **Turnover and revenue recognition**

Turnover represents the total sales value of legally completed properties. Revenue and profit on sales are recognised upon legal completion.

##### **Debt instruments**

Debt instruments are stated at their net proceeds on issue. Issue costs are amortised to the profit and loss account over the life of the instrument.

#### **2 TANGIBLE FIXED ASSETS**

	Total £
<b>COST OR VALUATION</b>	
Additions	41,000,000
Revaluations	36,500,000
Impairments	(36,500,000)
Reclassification to current assets	<u>(41,000,000)</u>
At 31 May 2006	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 May 2006	<u><u>-</u></u>

#### **3 CREDITORS**

The following secured debts are included within creditors:

	£
Bank loans	<u><u>41,497,630</u></u>

**ABILITY 31 MILL HARBOUR LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**4 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	£
1,000	Ordinary	£1	<u>1,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	£
100	Ordinary	£1	<u>100</u>

100 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period

**5 ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Ability Developments Limited, a company incorporated in England and Wales, at the balance sheet date Ability Developments Limited is a wholly owned subsidiary of Sarmas Investments Limited, and is the parent of the largest group of which group accounts are prepared Group accounts are available from the company's registered office Sarmas Investments Limited, a company registered in Cyprus, is under the control of The Costas Panayiotou 1997 Settlement Trust