

REGISTERED NUMBER: 05453405 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

FOR

ABILITY (BAKER STREET) LIMITED

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ABILITY (BAKER STREET) LIMITED

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for the Year Ended 31 December 2007

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ABILITY (BAKER STREET) LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2007

DIRECTOR: A C Panayiotou

SECRETARY: J Y Chin

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

REGISTERED NUMBER: 05453405 (England and Wales)

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

ABILITY (BAKER STREET) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO
ABILITY (BAKER STREET) 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 (Baker Street) Limited for the year ended 31 December 2007 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 & Registered Auditors
Langley House
Park Road
London
N2 8EX

Date

15/10/08

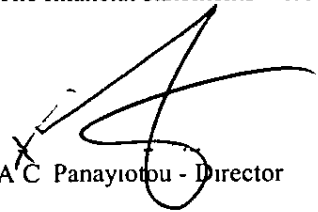
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ABILITY (BAKER STREET) LIMITED**ABBREVIATED BALANCE SHEET****31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
FIXED ASSETS					
Investment property	2		4,000,000		4,000,000
CURRENT ASSETS					
Stocks		67,787,194		50,544,151	
Debtors		118,272		174,832	
Cash at bank		<u>102,142</u>		<u>45,277</u>	
		68,007,608		50,764,260	
CREDITORS					
Amounts falling due within one year	3	<u>72,323,828</u>		<u>8,691,364</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(4,316,220)</u>		<u>42,072,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(316,220)		46,072,896
CREDITORS					
Amounts falling due after more than one year	3		-		<u>45,717,998</u>
NET (LIABILITIES)/ASSETS			<u>(316,220)</u>		<u>354,898</u>
CAPITAL AND RESERVES					
Called up share capital	4		2		2
Revaluation reserve			866,346		866,346
Profit and loss account			<u>(1,182,568)</u>		<u>(511,450)</u>
SHAREHOLDERS' FUNDS			<u>(316,220)</u>		<u>354,898</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 15/10/08 and were signed by


A.C. Panayiotou - Director

The notes form part of these abbreviated accounts

ABILITY (BAKER STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1 ACCOUNTING POLICIES

Basis of preparation

The presence of net liabilities and net current 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 2007).

Turnover and revenue recognition

Turnover represents net rent receivable, excluding value added tax. Revenue and profit on sales of properties are recognised when all the material conditions of the sales contract have been satisfied.

Tangible Fixed Assets

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

Investment properties - see below

The company holds properties for investment purposes and has followed the provisions of the FRSSE 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 FRSSE as 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 prices less all estimated costs of completion and costs to be incurred in marketing and selling.

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 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 January 2007	
and 31 December 2007	<u>4,000,000</u>
NET BOOK VALUE	
At 31 December 2007	<u>4,000,000</u>
At 31 December 2006	<u>4,000,000</u>

ABILITY (BAKER STREET) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS

3 CREDITORS

The following secured debts are included within creditors

	31 12 07	31 12 06
	£	£
Bank loans	<u>50,484,014</u>	<u>45,717,998</u>

Bank loans are secured by a debenture, legal charge and deed of assignment over all assets of the company
Bank loans are also secured by way of a cross guarantee provided by Ability Developments Limited

4 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 12 07	31 12 06
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	31 12 07	31 12 06
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

5 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Ability Developments Limited, a company registered in England and Wales, at the balance sheet date Ability Developments Limited is a wholly owned subsidiary of the ultimate parent company, A P Ability Holdings Limited (formerly Sarmas Investments Limited), which is a company registered in Cyprus A P Ability Holdings Limited is under the control of The Costas Panayiotou 1997 Settlement Trust