REGISTERED NUMBER: 3280282 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1 DECEMBER 1997 TO 30 MAY 1999

FOR

ABILITY DEVELOPMENTS LIMITED



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31/03/00

ABILITY DEVELOPMENTS LIMITED

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for the period 1 December 1997 to 30 May 1999

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ABILITY DEVELOPMENTS LIMITED

COMPANY INFORMATION
for the period 1 December 1997 to 30 May 1999

DIRECTOR:	C. Panayiotou
SECRETARY:	A.C. Panayiotou
REGISTERED OFFICE:	Langley House Park Road London N2 8EX
REGISTERED NUMBER:	3280282 (England and Wales)
AUDITORS:	Langley & Partners Registered Auditors Langley House Park Road London N2 8EX

ABILITY DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO ABILITY DEVELOPMENTS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to six, together with the full financial statements of the company for the period ended 30 May 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors
The director is responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion
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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages four to six are properly prepared in accordance with those provisions.

Other information
On 16 March 2000 we reported, as auditors to the shareholders of the company on the financial statements for the period ended 30 May 1999 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements on pages four to ten which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page seven.

Respective responsibilities of director and auditors
As described on page two the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty
In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of their preparation. The financial statements have been prepared on a going concern basis which assumes the continued support of the company's creditors and financiers. This basis may not be appropriate because at the balance sheet date the company's current liabilities exceeded its current assets by £2,171,959 and it reported a loss for the period of £118,779. The financial statements do not include any adjustments that would result from a failure to obtain a continuation of such support. Our opinion is not qualified in this respect.

ABILITY DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO
ABILITY DEVELOPMENTS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

Qualified opinion arising from limitation in audit scope
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 May 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Langley & Partners
Registered Auditors
Langley House
Park Road
London N2 8EX

Dated: 16 March 2000

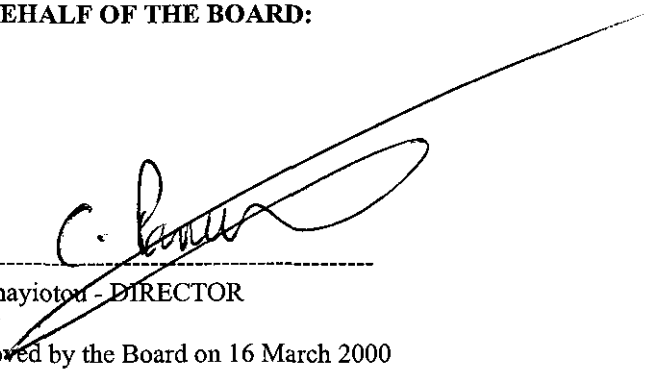
ABILITY DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET
30 May 1999

	Notes	30.5.99 £	30.5.99 £	30.11.97 £	30.11.97 £
FIXED ASSETS:					
Tangible assets	2		19,525,001		223,254
CURRENT ASSETS:					
Debtors		279,717		-	
Cash at bank and in hand		356,629		3,006	
		636,346		3,006	
CREDITORS: Amounts falling due within one year	3	2,808,305		133,230	
NET CURRENT LIABILITIES:			(2,171,959)		(130,224)
TOTAL ASSETS LESS CURRENT LIABILITIES:			17,353,042		93,030
CREDITORS: Amounts falling due after more than one year	3		3,333,503		106,470
			£14,019,539		£(13,440)
CAPITAL AND RESERVES:					
Called up share capital	4		99		99
Revaluation reserve			14,151,758		-
Profit and loss account			(132,318)		(13,539)
Shareholders' funds			£14,019,539		£(13,440)

These abbreviated financial statements have 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:



C. Panayiotou - DIRECTOR

Approved by the Board on 16 March 2000

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the period 1 December 1997 to 30 May 1999

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared on a going concern basis. The applicability of this policy is dependent on the continued support of the company's creditors and bankers.

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 March 1999).

Turnover
Turnover represents net rental income receivable, excluding value added tax.

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
Plant and machinery etc	- see below

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation is provided in respect of investment properties and associated improvements. The requirement of Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. 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 SSAP 19 as described above.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TANGIBLE FIXED ASSETS

	Total
	£
COST OR VALUATION:	
At 1 December 1997	223,254
Additions	5,149,989
Surplus on revaluation	14,151,758
At 30 May 1999	19,525,001
NET BOOK VALUE:	
At 30 May 1999	19,525,001
At 30 November 1997	223,254

Investment property is included in the balance sheet at an open market value of £13,265,428 valued by the director during the period under review in accordance with the provisions of SSAP 19.

3. CREDITORS

The following secured debts are included within creditors:

	30.5.99	30.11.97
	£	£
Bank loans	1,852,500	118,300
Mortgages	3,767,168	-
	5,619,668	118,300

Creditors include the following debts falling due in more than five years:

	30.5.99	30.11.97
	£	£
Repayable by instalments		
Mortgages	1,598,851	-

4. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	30.5.99	30.11.97
			£	£
1,000	Ordinary	£1	1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.5.99	30.11.97
			£	£
99	Ordinary	£1	99	99

5. TRANSACTIONS WITH DIRECTOR

During the period, the director's current account was overdrawn contrary to the provisions of s330(2) of the Companies Act 1985. The maximum amount of the loan outstanding was £19,870 which includes £991 accrued interest, calculated in accordance with Inland Revenue official rates of interest. This amount is outstanding at the balance sheet date and is scheduled to be repaid within one year. There was no balance outstanding at the beginning of the period.

6. CONTROLLING PARTY

The company is under the control of The Costas Panayiotou 1997 (Number 2) Settlement trust.

7. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis. At the balance sheet date the company's current liabilities exceeded its current assets by £2,171,959 and the company reported a loss for the period of £118,779. This is the first period during which the company has traded and it is anticipated by the director that turnover will increase in subsequent accounting periods and that the balance sheet position will be improved. The director therefore considers the going concern policy to be appropriate.