

REGISTERED NUMBER: 3280282 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

FOR

ABILITY DEVELOPMENTS LIMITED



ABILITY DEVELOPMENTS LIMITED

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for the year ended 31 May 2002

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ABILITY DEVELOPMENTS LIMITED

COMPANY INFORMATION
for the year ended 31 May 2002

DIRECTOR: A.C. Panayiotou

SECRETARY: M. Thomas

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

We have examined the abbreviated financial statements which comprise the Abbreviated Balance Sheet and the related notes, together with the full financial statements of Ability Developments Limited for the year ended 31 May 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

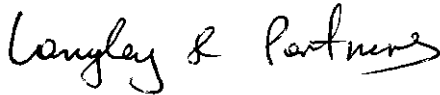
The director is responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with 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 audit 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 which comprise the Abbreviated Balance Sheet and the related notes are properly prepared in accordance with those provisions.



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

Dated: 15 August 2002

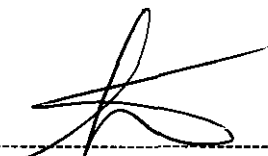
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ABILITY DEVELOPMENTS LIMITED**ABBREVIATED BALANCE SHEET****31 May 2002**

		31.5.02		31.5.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		83,838,041		62,315,129
Investments	3		<u>4</u>		<u>2</u>
			83,838,045		62,315,131
CURRENT ASSETS:					
Debtors		1,097,538		1,764,561	
Cash at bank and in hand		<u>500,938</u>		<u>158</u>	
		1,598,476		1,764,719	
CREDITORS: Amounts falling due within one year	4	<u>13,723,930</u>		<u>5,782,057</u>	
NET CURRENT LIABILITIES:			<u>(12,125,454)</u>		<u>(4,017,338)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			71,712,591		58,297,793
CREDITORS: Amounts falling due after more than one year	4		(25,480,833)		(21,623,077)
PROVISIONS FOR LIABILITIES AND CHARGES:			<u>11,438</u>		<u>11,943</u>
			<u>£46,243,196</u>		<u>£36,686,659</u>
CAPITAL AND RESERVES:					
Called up share capital	5		99		99
Revaluation reserve			46,414,214		36,995,250
Profit and loss account			<u>(171,117)</u>		<u>(308,690)</u>
SHAREHOLDERS' FUNDS:			<u>£46,243,196</u>		<u>£36,686,659</u>

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:



A.C. Panayiotou - DIRECTOR

Approved by the Board on 15 August 2002

The notes form part of these financial statements

ABILITY DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2002

1. ACCOUNTING POLICIES

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 2000).

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	- 25% on reducing balance and 15% on reducing balance

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. 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.

Turnover

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

Deferred taxation

A prior year adjustment has arisen as a result of a change to the company's accounting policy relating to deferred tax, as a consequence of the introduction of FRS 19. Provision is now made for all material timing differences at the rate applicable to the period in which the timing differences are expected to reverse.

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST OR VALUATION:	
At 1 June 2001	62,360,086
Additions	12,526,597
Disposals	(1,057,000)
Surplus on revaluation	<u>10,095,711</u>
At 31 May 2002	<u>83,925,394</u>
DEPRECIATION:	
At 1 June 2001	44,958
Charge for year	81,645
Eliminated on disposals	<u>(39,250)</u>
At 31 May 2002	<u>87,353</u>
NET BOOK VALUE:	
At 31 May 2002	<u>83,838,041</u>
At 31 May 2001	<u>62,315,129</u>

ABILITY DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2002

3. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 June 2001	2
Additions	<u>2</u>
At 31 May 2002	<u>4</u>
NET BOOK VALUE:	
At 31 May 2002	<u><u>4</u></u>
At 31 May 2001	<u><u>2</u></u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Ability Investments Limited

Nature of business: Property investment

	%		
Class of shares:	holding		
Ordinary shares	100.00		
		31.5.02	31.5.01
		£	£
Aggregate capital and reserves		33,823	8,949
Profit for the year		<u>24,874</u>	<u>8,947</u>

Ability Air Limited

Nature of business: Charter of passenger aircraft and travel

	%
Class of shares:	holding
Ordinary shares	100.00

Ability Air Limited was incorporated on 12 March 2002, and as a consequence its first financial statements for the period ended 31 March 2003 are not available.

4. CREDITORS

The following secured debts are included within creditors:

	31.5.02	31.5.01
	£	£
Bank loans	15,115,528	6,376,800
Mortgages	<u>22,466,114</u>	<u>20,298,043</u>
	<u><u>37,581,642</u></u>	<u><u>26,674,843</u></u>

ABILITY DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 2002

4. CREDITORS - continued

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

	31.5.02 £	31.5.01 £
Repayable by instalments		
Bank loans	3,108,211	1,837,500
Mortgages	<u>17,748,639</u>	<u>15,285,713</u>
	<u>20,856,850</u>	<u>17,123,213</u>

5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.5.02 £	31.5.01 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.02 £	31.5.01 £
99	Ordinary	£1	<u>99</u>	<u>99</u>

6. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Sarneas Investments Limited, a company registered in Cyprus. Sarneas Investments Limited is under the control of The Costas Panayiotou 1997 (Number 2) Settlement Trust.

7. SUBSIDIARIES NOT CONSOLIDATED

The company has taken exemption under section 248 of the Companies Act 1985 and has not consolidated the results of its subsidiary companies in its financial statements on the grounds that it qualified as a small size group. Details of its active subsidiaries are given in the notes to the financial statements.