

"CAPABILITY HOMES" LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2005



"CAPABILITY HOMES" LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2005

Directors

J. Lambie

E. Lambie

Secretary & Registered Office

J. Lambie Esq.  
191 Northdown Road  
Cliftonville  
MARGATE  
Kent  
CT9 2PA

Registered in England and Wales

No. 2441446

**"CAPABILITY HOMES" LIMITED****REPORT OF THE DIRECTORS**

The Directors submit their Report and the Accounts for the year ended 31st December 2005.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Company's principal activity of the letting of property continued throughout the year. All rental income received for the year in question was derived from namely Villa 7-03, in Marina De Casares (Spain), which is owned by Mr J. & Mrs E. Lambie and rented out occasionally. Capability Homes Ltd being utilised as agents to act on their behalf.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs to the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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.

**FIXED ASSETS**

The Company's fixed assets comprise of Furniture and Fittings.

**RESULTS AND DIVIDENDS**

The results for the year and the financial position at the end of the year are as set out in the attached accounts. The Directors do not recommend payment of a dividend.

Continued.....

"CAPABILITY HOMES" LIMITEDREPORT OF THE DIRECTORS - CONTINUEDDIRECTORS AND THEIR INTERESTS

The Directors at 31st December 2005 and their interests in Share Capital of the Company were as follows:-

	At 31st December 2005 <u>Ordinary Shares</u>	At 31st December 2004 <u>Ordinary Shares</u>
J. Lambie	100	100
E. Lambie	100	100

BY ORDER OF THE BOARD

Mr J. Lambie  
Secretary

Date: 30-08-2006

"CAPABILITY HOMES" LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 2005

	<u>NOTES</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
Turnover	2	2754	3362
Administration Expenses		<u>4379</u>	<u>4394</u>
<u>OPERATING PROFIT/ (LOSS)</u>		(1625)	(1032)
Interest Receivable		68	58
Dividends Receivable		<u>334</u>	<u>120</u>
<u>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>	3	(1223)	(854)
Taxation	5	<u>-</u>	<u>-</u>
<u>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		(1223)	(854)
Accumulated losses brought forward		( <u>16347</u> )	( <u>15493</u> )
<u>ACCUMULATED LOSSES CARRIED FORWARD</u>		£ ( <u>17570</u> )	£ ( <u>16347</u> )

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

**"CAPABILITY HOMES" LIMITED****BALANCE SHEET AT 31ST DECEMBER 2005.**

	<u>Notes</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	6	<u>7005</u>	<u>7005</u>
<b><u>CURRENT ASSETS</u></b>			
Investment (quoted shares)		13253	8158
Debtors	7	2400	1044
Cash at Bank and in Hand		<u>5659</u>	<u>10576</u>
		21312	19778
<b><u>CREDITORS</u></b> - Amounts falling due			
Within one year	8	<u>(45687)</u>	<u>(42930)</u>
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(24375)</u>	<u>(23152)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		(17370)	(16147)
<b><u>CREDITORS</u></b> - Amounts falling due after			
more than one year	8	<u>(17370)</u>	<u>(16147)</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up Share Capital	9	200	200
Profit and Loss Account		(17570)	(16347)
		<b><u>£ (17370)</u></b>	<b><u>£ (16174)</u></b>

In preparing these financial statements, the Directors have:

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under section 249A (1) (total exemption).
- b) confirmed that no notice has been deposited under section 249B (2) of the Companies Act 1985.
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985.

"CAPABILITY HOMES" LIMITEDBALANCE SHEET AT 31ST DECEMBER 2005

d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profits for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to the accounts, so far as applicable to this company.

**The Directors have:**

e) (i) taken advantage of the exemptions conferred by part III of section 8 of the Companies Act 1985

and

(ii) in their opinion the company is entitled to those exemptions on the basis that it qualifies as a small company.

Approved on behalf of the directors

On: 30.08.2006



.....  
Mr J. Lambie

**"CAPABILITY HOMES" LIMITED****NOTES TO THE ACCOUNTS****AT 31ST DECEMBER 2005****1. ACCOUNTING POLICIES**

- a.) Accounting Convention  
The accounts are prepared under the historical cost convention.
- b.) Depreciation  
The Directors do not consider it appropriate to provide for depreciation in these accounts.
- c.) Deferred Taxation.  
Provision is made for deferred taxation only where there is a reasonable probability of a liability in the foreseeable future.

**2. TURNOVER**

Turnover represents rental income derived from the letting of freehold property.

**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated:

	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
<u>After crediting:</u>		
Interest Receivable	68	58
Dividends Receivable	334	120
<u>After charging:</u>		
Interest payable:		
Bank loans, overdraft and other loans		
- wholly repayable within five years	-	-
- wholly repayable after five years	-	-

**4. a) STAFF COSTS**

Wages & Salaries	£ <u>      </u> -	£ <u>      </u> -
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The average weekly number of employees during the year was 2, made up as follows:

	<u>No.</u>	<u>No.</u>
Management & Administration	<u>2</u>	<u>2</u>

**b) DIRECTORS REMUNERATION**

Fees	£ <u>      </u> -	£ <u>      </u> -
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**5. TAXATION**

No Corporation Tax provided due to losses incurred during the year	£ <u>      </u> -	£ <u>      </u> -
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"CAPABILITY HOMES" LIMITEDNOTES TO THE ACCOUNTSAT 31ST DECEMBER 20056. TANGIBLE ASSETS

<u>COST OR MARKET VALUE</u>	<u>Furniture &amp; Fittings</u>
As At 1st January 2005	7005
Additions	-
Disposal	-
As at 31st December 2005	<u>£ 7005</u>
<u>DEPRECIATION</u>	
At 1st January 2005	-
Charge for the Year	-
As at 31st December 2005	<u>£ -</u>
<u>NET BOOK AMOUNT</u>	
At 31st December 2005	<u>£ 7005</u>
At 31st December 2004	<u>£ 7005</u>

7. <u>DEBTORS</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Prepayments and accrued income	2400	1044
	<u>£ 2400</u>	<u>£1044</u>

	<u>Due within one year</u>		<u>Due after more than one year</u>	
8. <u>CREDITORS</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loans from Directors a)	44487	42330	-	-
Other Creditors:				
Taxation & Social Security	-	-	-	-
Accruals & Deferred Income	1200	600	-	-
	<u>£ 45687</u>	<u>£ 42930</u>	<u>£ -</u>	<u>£ -</u>

a) Loans From Directors

The loans from Directors are free of interest and there is no fixed date for repayment.

9. SHARE CAPITAL

	<u>Authorised</u>		<u>Alloted, issued and fully paid</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Ordinary shares of £1 each	<u>£1500</u>	<u>£1500</u>	<u>£200</u>	<u>£200</u>

"CAPABILITY HOMES" LIMITEDDETAILED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 2005

	<u>£</u>	<u>2005</u> <u>£</u>	<u>£</u>	<u>2004</u> <u>£</u>
<u>TURNOVER</u>		2754		3362
<u>ADMINISTRATIVE EXPENSES</u>				
Directors Remuneration	-	-	-	-
Commission Payable	357		577	
Telephone, Postage & Stationery	46		10	
Insurance	135		126	
Heating/Lighting	531		442	
Repairs and Renewals	1440		1156	
Motor Expenses	-		-	
Accountancy	600		600	
Bank Charges	-		-	
Cleaning	547		646	
Local Tax	637		837	
General Expenses	86		-	
		<u>4379</u>		<u>4394</u>
<u>OPERATING PROFIT/ (LOSS)</u>		(1625)		(1032)
<u>INTEREST RECEIVABLE</u>		<u>68</u>		<u>58</u>
		(1557)		(974)
<u>DIVIDENDS RECEIVABLE</u>		<u>334</u>		<u>120</u>
<u>PROFITS/ (LOSS) ON ORDINARY ACTIVITIES</u>		<u>£ (1223)</u>		<u>£ (854)</u>