

CARPS PROPERTY & TRADING LIMITED

Directors' Report and Financial Statements
For the period ended 5 April 2007

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REPORT AND FINANCIAL STATEMENTS 2007

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CARPS PROPERTY & TRADING LIMITED

DIRECTORS' REPORT

The directors present their first report and financial statements for the period ended 5 April 2007

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company was incorporated on the 6 January 2006. On incorporation the company issued 1 ordinary £1 share.

The principal activity of the company is land and property investment and management. Where opportunities arise properties will be traded, bought and sold, whilst others will be retained and managed for letting on a longer term basis.

The company did not trade in the period from incorporation to 30 May 2006. On 30 May 2006 the company acquired its first property. After substantial refurbishment over the summer of 2006 the furnished property was let out on shorthold tenancies in September 2006.

On 1 February 2007 the company issued 4,999 ordinary A £1 shares and 5,000 ordinary B £1 shares at par value.

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £31,608.

No dividends were paid during the period. The directors do not recommend a final dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their interest in the shares of the company are listed below.

	<i>Ordinary A shares</i>	
	<i>5 April 2007</i>	<i>6 January 2006</i>
S Carpenter (appointed 6 January 2006)	5,000	1
	<i>Ordinary B shares</i>	
	<i>5 April 2007</i>	<i>6 January 2006</i>
N Carpenter (appointed 6 January 2006)	5,000	-

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors confirm they have:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed,
- prepared 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.

This report was approved by the Board on 1 November 2007 and signed on its behalf


Neil Carpenter
Secretary

CARPS PROPERTY & TRADING LIMITED

PROFIT AND LOSS ACCOUNT 65 weeks ended 5 April 2007 (note 1)

	<i>Note</i>	<i>65 weeks ended 5 April 2007 £</i>
TURNOVER	1,2	6,894
Operating expenses		(33,172)
OPERATING LOSS	3	(26,278)
Interest receivable	5	22
Interest payable	6	(5,352)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(31,608)
Tax on loss on ordinary activities	7	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(31,608)

All the above transactions relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES For the 65 weeks ended 5 April 2007

	<i>65 weeks ended 5 April 2007 £</i>
LOSS FOR THE FINANCIAL PERIOD AND TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	(31,608)
Investment property revaluation (note 8)	21,764
TOTAL GAINS AND (LOSSES) RECOGNISED FOR THE FINANCIAL PERIOD	(9,844)

CARPS PROPERTY & TRADING LIMITED

BALANCE SHEET 5 April 2007 (note 1)

	<i>Note</i>	<i>£</i>	<i>2007</i> <i>£</i>
FIXED ASSETS			
Investment property	8		185,750
Fixed assets	9		<u>1,278</u>
CURRENT ASSETS			187,028
Debtors	10	13	
Cash at bank and in hand		<u>2,893</u>	
		2,906	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(2,492)</u>	
NET CURRENT ASSETS			<u>414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			187,442
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		<u>(187,286)</u>
NET ASSETS			<u><u>156</u></u>
CAPITAL AND RESERVES			
Called up share capital	13		10,000
Revaluation reserve	14		21,764
Profit and loss account	14		<u>(31,608)</u>
SHAREHOLDERS' FUNDS	14		<u><u>156</u></u>

For the financial period ended 5 April 2007, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221[of the Act] and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its loss for the financial period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The financial statements on pages 2 to 7 were approved by the Board on 1 November 2007 and signed on its behalf



N Carpenter
Director

NOTES TO THE ACCOUNTS
For the period ended 5 April 2007

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities ("FRSSE") (effective January 2007)

Investment properties

In accordance with FRSSE, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in the FRSSE. The directors consider that, because these properties are held for their investment potential and require constant periodic refurbishment to maintain their letting capability where relevant which is expensed in the period incurred, to depreciate the properties would not give a true and fair view. Accordingly the principles set out in the FRSSE with respect to investment properties have been applied in order to give a true and fair view.

If this departure from the Act had not been made, the loss for the financial period would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Plant and equipment is depreciated over their estimated useful lives on the following bases:

Plant and equipment - 5 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under the FRSSE (effective January 2007).

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company being land and property investment and management, and arises in the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging

	<i>65 weeks ended 5 April 2007</i>
	<i>£</i>
Depreciation of tangible fixed assets	
- owned by the company	169

4. EMPLOYEES AND DIRECTORS

The company had no employees in the period to 5 April 2007 and Directors remuneration was nil.

NOTES TO THE ACCOUNTS
For the period ended 5 April 2007

5 INTEREST RECEIVABLE

	<i>65 weeks ended 5 April 2007 £</i>
Bank interest	22

6. INTEREST PAYABLE

	<i>65 weeks ended 5 April 2007 £</i>
Mortgage interest	5,352

7. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

	<i>65 weeks ended 5 April 2007 £</i>
Analysis of charge in the period:	
Current tax	
UK Corporation tax at 30% (2005 – 30%)	-

The tax charge for the period is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	<i>65 weeks ended 5 April 2007 £</i>
Analysis of charge in the period:	
Loss on ordinary activities before taxation	(31,608)
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(9,482)
Expenses not deductible for tax purposes	1,138
Tax losses carried forward	8,344
	-

8. INVESTMENT PROPERTY

	<i>Total £</i>
At 6 January 2006	-
Additions	163,986
Revaluations	21,764
At 5 April 2007	185,750

The investment property is held at the directors' estimate of open market value at the balance sheet date

NOTES TO THE ACCOUNTS
For the period ended 5 April 2007

9. FIXED ASSETS

	<i>Plant & equipment</i> £
Cost	
At 6 January 2006	-
Additions	1,447
At 5 April 2007	<u>1,447</u>
Depreciation	
At 6 January 2006	-
Charge for period	169
At 5 April 2007	<u>169</u>
Net book value	
At 5 April 2007	<u><u>1,278</u></u>

10. DEBTORS

	<i>2007</i> £
Amounts falling due within one year	
Income tax recoverable	5
Other debtors	8
	<u>13</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2007</i> £
Other creditors	1,600
Accruals and deferred income	892
	<u>2,492</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>2007</i> £
Mortgage	132,159
Directors' loan account	55,127
	<u>187,286</u>

The mortgage from CHL (Capital Home Loans Limited) is secured on the investment property and guaranteed by the directors. The interest only Mortgage is for a period of 20 years. The rate of interest applying to the mortgage is 4.85% until 31 March 2009 thereafter the rate will be 1.24% above the Bank Base Rate.

NOTES TO THE ACCOUNTS
For the period ended 5 April 2007

13. CALLED UP SHARE CAPITAL

	<i>2007</i> <i>£</i>
Authorised:	
100,000 ordinary shares of £1 each	100,000
	<u> </u>
Allotted, called up and fully paid:	
1 ordinary share of £1 each	10,000
	<u> </u>

One subscriber ordinary A £1 share was issued on incorporation

On 1 February 2007 the company issued 4,999 ordinary A £1 shares and 5,000 ordinary B £1 shares at par value

Ordinary A shares carry voting rights, the right to receive dividends and any surplus arising on a final distribution or winding up of the company

Ordinary B shares carry voting rights, and the right to participate pari passu with Ordinary A shares on a final distribution or winding up of the company. The shares carry no rights to dividends other than on a final distribution or winding up of the company. The shares may be converted to Ordinary A shares at the written request of the shareholder to the registered office of the company

14. RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share capital</i> <i>£</i>	<i>Revaluation reserve</i> <i>£</i>	<i>Profit and loss account</i> <i>£</i>	<i>Total</i> <i>£</i>
At 6 January 2006	-	-	-	-
Loss for the period			(31,608)	(31,608)
Investment property revaluation		21,764	-	21,764
Shares issued (note 13)	10,000		-	10,000
	<u>10,000</u>	<u>21,764</u>	<u>(31,608)</u>	<u>156</u>
At 5 April 2007	10,000	21,764	(31,608)	156

15. OTHER COMMITMENTS

At 5 April 2007 the company had no other financial commitments

16. RELATED PARTIES

There were no significant related party transactions during the financial period